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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

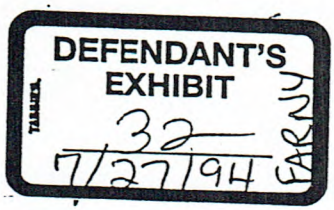
CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation, Plaintiff, vs. GERALD ARMSTRONG; MICHAEL WALTON; THE GERALD ARMSTRONG CORPORATION a California for-profit corporation; DOES 1 through 100, inclusive, Defendants.	No. 157 680 **ARMSTRONG'S DECLARATION IN OPPOSITION TO SCIENTOLOGY'S MOTION FOR PROTECTIVE ORDER AND SANCTIONS RE SPECIALLY PREPARED INTERROGATORIES** Date: 3/9/95 Time: 10:00 a.m. Dept: Referee Trial Date: 5/18/95

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UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California Non-Profit Religious Organization, Plaintiff, vs. STEVEN FISHMAN and UWE GEERTZ, Defendants.	CASE NO. CV 91-6426 HLH(Tx) DECLARATION OF DAVID MISCAVIGE

I, DAVID MISCAVIGE, declare and say:

1. I am over 18 years of age and a resident of the State of California. I have personal knowledge of the matters set forth in this declaration and, if called upon as a witness I could and would competently testify thereto.

2. I am not a party in the above-referenced case, nor am I

52. Next, I was subjected to a two and a half year criminal investigation by the Internal Revenue Service. Ironically, the very people I had kicked out of the GO exploited the government's concern over acts the GO had committed to make me the target of an investigation based on the very acts they had committed. Of course they didn't make their previous associations with the GO known. In fact, the IRS's Criminal Investigation Division ("CID") was based on specious allegations filed in civil litigation and spread in the media. The thrust of the investigation was an alleged criminal conspiracy begun in 1966 to impede the Internal Revenue Service. I was the primary target of this investigation even though I was only six years old when I began the "conspiracy."

53. The CID's massive investigation was ultimately rejected outright by the Justice Department. However, the IRS dossier on me, an accumulation of over 100,000 pages of documents -- the largest in the Service's history -- was filled with falsehoods from a handful of bitter former Scientologists and ex-GO like Mr. Young. It contained the same allegations that have been repeatedly disproved, but which are nevertheless being made again in this case.

54. For example, Mr. Young repeats the allegations made by Gerry Armstrong that the Church practices "Fair Game" and that Gerry Armstrong was in "fear of his life." To bolster the validity of this allegation, Vaughn Young refers to the Breckenridge decision. What Mr. Young fails to disclose, however, is the fact that following that opinion, Armstrong was proven a liar. In a police-sanctioned investigation, Gerry

Armstrong was captured on video tape acknowledging his real motives, namely a plot to overthrow the Church leadership and gain control of the Church. On those very video tapes, Armstrong acknowledges he not only isn't "afraid," but that he "will bring the Church to its knees." While plotting his overthrow attempt he gives advice that the Church should be accused of various criminal acts. When told no evidence exists to support such "charges," he responds, "just allege it." It should be noted that while Gerry Armstrong had been an "informant" during the IRS criminal investigation, based on these tapes and statements, the IRS dropped him as a witness, thereby repudiating his credibility. Vaughn and Stacy Young were fully aware of these facts as Stacy wrote the cover story in Freedom Magazine that exposed Armstrong's plot.

55. The steady barrage of such falsehoods poisoned the IRS with respect to the Church generally and me personally. Years later, IRS Internal Security agent Keith Kuhn filed a declaration in several cases, falsely accusing me of threatening another IRS agent with whom I had never spoken in my life. That declaration was stricken as unsupported and scurrilous, and the IRS was ordered by Judge Keller of this Court to pay sanctions for having filed it at all. [Ex. B, Order and transcript, Church of Scientology of California v. IRS, No. CV 90-5638 WDK (C.D.Cal.)]

56. The attempts to harass me in litigation have extended to creating not just false allegations, but false documents as well. In 1984, a former staff member, who was employed by a splinter group that was seeking to pull Scientologists away from the Church for the splinter group's profit, created a forged

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 24th day of February 1994, at Riverside County, California.

DAVID MISCAVIGE

DECLARATION OF GERALD ARMSTRONG

I, Gerald Armstrong, declare:

1. I am over 18 years of age and a resident of the State of California. I have personal knowledge of the matters set forth herein and if called upon to testify thereto I competently would.

2. I am making this declaration in response to certain statements, principally those concerning me, made by David Miscavige in his declaration executed February 8, 1994, and filed in the case of Scientology v. Fishman & Geertz, United States District Court for the Central District of California, Case No. CV 91-6425 HLH(Tx).

3. Mr. Miscavige states that I am a proven liar because he has found a discrepancy between a finding of Judge Paul G. Breckenridge Jr. in his decision rendered June 20, 1984 in the case of Scientology v. Armstrong, Los Angeles Superior Court No. C 420153 (Armstrong I), and a statement allegedly made by me and secretly recorded by Mr. Miscavige's covert intelligence operatives in the fall of 1984. (Miscavige dec. p. 31, l. 22 - p. 32, l. 5). Mr. Miscavige is employing one of Scientology's confusion techniques the organization's founder L. Ron Hubbard dubbed "dropped out time." Mr. Miscavige's incidents, which he has linked for purposes of confusion, are years apart.

4. In this civilization fear is generally accepted to be an emotion or state of mind which can either be present or not present, or perhaps present in degrees. It is fairly well accepted that a not abnormal person can be afraid one

day, when, for example there are a couple of unidentified men at four a.m. outside the person's bedroom window where no men ought to be at four a.m., and not afraid on another day, when the person is, for example, watching the Dodgers beat the Giants. That the person claimed to be afraid at four a.m Sunday and not afraid at the Wednesday ballgame does not make that person a proven liar. In my case there were more than two years between one time when I was afraid and the next occasion when Mr. Miscavige says I said I was not afraid.

5. In his decision, a true and correct copy of which is appended hereto as Exhibit A, Judge Breckenridge states:

> "From his extensive knowledge of the covert and intelligence operations carried out by the Church of Scientology of California against its enemies (suppressive persons), Defendant Armstrong became terrified and feared that his life and the life of his wife were in danger, and he also feared he would be the target of costly and harassing lawsuits."
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>
> "It was thereafter, in the summer of 1982, that Defendant Armstrong asked Mr. Garrison for copies of documents to use in his defense and sent the documents to his attorneys, Michael Flynn and Contos

& Bunch.

After the within suit was filed on August 2, 1982, Defendant Armstrong was the subject of harassment, including being followed and surveilled by individuals who admitted employment by [Scientology]; being assaulted by one of these individuals; being struck bodily by a car driven by one of these individuals; having two attempts made by said individuals apparently to involve Defendant Armstrong in a freeway automobile accident; having said individuals come onto Defendant Armstrong's property, spy in his windows, create disturbances, and upset his neighbors." (Ex. A. Appendix p. 14, l. 6 - p. 15, l. 3)

6. It is clear that Judge Breckenridge in his statements about my fear of organization legal and extra-legal attacks is referring to my state of mind in the period between the organization's publication of its "Suppressive Person Declares" on me in early 1982 and its filing of Armstrong I in August, 1982. This fear was not irrational or unfounded as the organization itself proved when it harassed my wife and me as Judge Breckenridge found, and did file harassing and costly lawsuits against me. All of these harassing and criminal acts were carried out during Mr.

Miscavige's control of such activities, which he claims to have wrested from the Guardian's Office, which, itself, just as he himself, according to Mr. Miscavige "used unscrupulous means to deal with people they perceived as enemies of the Church." (Miscavige dec. p. 17, l. 17).

7. Mr. Miscavige's new Guardian's Office, the Office of Special Affairs, did not end its criminal and abusive tactics with the incidents listed by Judge Breckenridge, but has added ten more years of "fair game" attacks since the 1984 decision, including, but not limited to:

a. attempted framing by entrapment and illegal videotaping;

b. filing false criminal charges with the Los Angeles District Attorney;

c. filing false criminal charges with the Boston office of the FBI;

d. filing false declarations;

e. bringing contempt of court proceedings on three occasions based on false charges;

f. making false accusations in internationally published media of crimes, including crimes against humanity;

g. culling and disseminating information from my supposedly confidential auditing (psychotherapy) files;

h. relentlessly attacking my attorney, Michael Flynn of Boston, Massachusetts with some 15 lawsuits, baseless bar complaints, theft of office

documents, infiltration of his law practice, framing him with the forgery of a $2,000,000 check, an international black PR campaign, threats to him and his family, and, according to him, attempted assassination; all for the purpose of driving him out of the organization-related litigation in order to leave his clients undefended against the organization's attacks;

i. fraudulently promising to discontinue "fair game" against me if I settled my cross-complaint against the organization, knowing full well that it would continue to attack me in the courts and the marketplace of ideas once I signed its settlement contract, which I did in December, 1986, and once it had contracted with Mr. Flynn to not defend me in future litigation;

j. following the settlement, publishing a false and unfavorable description of me in a "dead agent" pack relating to writer and anti-Scientology litigant Bent Corydon;

k. filing several affidavits in the case of Church of Scientology of California v. Russell Miller and Penguin Books Limited, case no. 6140 in the High Court of Justice in London England which falsely accused me of violations of court orders, and falsely labeled me "an admitted agent provocateur of the U.S. Federal Government";

l. delivering copies of an edited version of an

illegally obtained 1984 videotape of me to the international media;

m. threatening me with lawsuits on six occasions if I did not abet its obstruction of justice in the Miller case, in the case of Bent Corydon v. Scientology, Los Angeles Superior Court No. C 694401, wherein Corydon had subpoenaed me as a witness, and in the case of Scientology v. Yanny, Los Angeles Superior Court No. C 690211;

n. threatening to release my confidences, which it had stolen from a friend, and which had been specifically sealed by Judge Breckenridge in Armstrong I if I did not assist it in preventing Corydon from gaining access to the Armstrong I court file;

o. on February 4, 1992, filing a lawsuit, Scientology v. Gerald Armstrong, Marin Superior Court Case No. 152229 ("Armstrong II"), transferred to Los Angeles Superior Court and given Case No. BC 052395, alleging contract breaches, which it itself precipitated, for the purposes of, inter alia, obstructing justice, suppressing evidence, assassinating my reputation, retaliation and intimidation;

p. on July 8, 1993, filing a lawsuit Scientology v. Gerald Armstrong & The Gerald Armstrong Corporation, Los Angeles Superior Court Case No. BC 084642 ("Armstrong III") for the same purposes

as in o. above;

q. on July 23, 1993, filing a lawsuit, Scientology v. Gerald Armstrong, Michael Walton & The Gerald Armstrong Corporation, Marin Superior Court Case No. 157680 ("Armstrong IV") for the same purposes as in o. above;

r. twice more bringing contempt of court charges against me based on false sworn statements.

8. The videotapes from which Mr. Miscavige claims to quote were made in November, 1984. In order to provide a context for how I came to be involved with his operatives who set up the videotaping and to clarify the words of both the operatives and myself which were recorded, and a few of which Mr. Miscavige claims to quote, I am appending hereto as Exhibit B a copy of a declaration/screenplay outline I have just completed and called "Find a Better Basket."

9. When I state on the 1984 videotape that I am not afraid, I am answering one of the operatives' questions or challenges which he has been drilled to state. In responding the way I did I am honestly communicating one of the changes I had perceived in my psyche over the almost three years since I left the organization. Because the organization teaches its members to put their faith in what cannot protect them; e.g., data, wins, attacks, hatred, disconnection, leverage, lawsuits, private investigators, fair game, L. Ron Hubbard or David Miscavige; it leaves them with a seemingly irreducible fear. Those who put their faith in God, Wherein lies perfect protection, give up their

fear. There will still be times when fear will arise, but the reestablishing of faith in God will every time cause that fear to disappear into the nothing it is. I was beginning to learn that wisdom by the time of the 1984 videotaping. In fact it was that learning which seemed to move me to associate with the operatives who only sought my destruction. I have stated many times that I have an undeniable concern that before it comes to its senses or saner minds prevail in the organization its power structure headed by Mr. Miscavige will have me assassinated or do something else diabolical and dangerous, and this has produced in me an awareness of threat and is a fact of my present psychological condition. The power structure is quite capable of violent and criminal acts, or of purchasing such acts. The power structure is armed, and its head PI Eugene M. Ingram has threatened to kill me. The power structure makes a religion of terrifying countless vulnerable and innocent people who do not have my certainty and do not have my skills to fight the organization's tyranny. For these reasons I oppose its tyranny and its suppressive doctrines and practices. Mr. Miscavige should not be pointing out imagined inconsistencies in whether one of his victims in one year or another was afraid or not of his vicious organization, but should be eliminating all of its viciousness so that no one ever again is made afraid by it.

10. Mr. Miscavige calls the videotaping of me "a police-sanctioned investigation." (Miscavige Dec. p. 31, l.

28) This is a lie Mr. Miscavige must tell as if his life depends on it. I provided the truth in "Find a Better Basket."

> "Organization lawyers, Earle Cooley and John Peterson, claimed (during the 1985 trial of Julie Christofferson v. Scientology, Circuit Court of the State of Oregon, Multnomah County, No. A7704-05184, that) the Armstrong operation had been authorized by the Los Angeles Police Department, and they produced a letter dated November 7, 1984, ... signed by an officer Phillip Rodriguez, directing organization private investigator Eugene M. Ingram to electronically eavesdrop on me and Michael Flynn.
>
> On April 23, 1985, Los Angeles Police Chief Daryl F. Gates issued a public statement, ... denying that the Rodriguez letter was a correspondence from the Los Angeles Police Department, denying that the Los Angeles Police Department had cooperated with Ingram, and stating emphatically that all purported authorizations directed to Ingram by any member of the Los Angeles Police Department are invalid and unauthorized. On information and belief, the officer, Phillip Rodriguez, who signed Ingram's letter was paid $10,000.00 for his signature. Also on information and belief, following a Los Angeles Police Department Internal Affairs

Division investigation and a Police Department Board of Rights, Officer Rodriguez was suspended from the Los Angeles Police Force." ("Better Basket," p. 13, paras. 22 and 23)

A copy of Officer Rodriguez's "authorization" is appended hereto as Exhibit C, and a copy of Chief Gates' public announcement is appended hereto as Exhibit D.

11. Mr. Miscavige claims that his illegal videotapes of me capture me acknowledging my real motives, to overthrow his organization's leadership and gain control of it. (Miscavige Dec. p. 32, l.1 - l.3) This is absurd. His own people, operated by him, came to me with their idea, approved by him, as outlined in "Better Basket," of wresting control of the organization from what they called the "criminals" running it. I have never had a desire control the Scientology organization or Scientology, although I recognize that its leaders should be restrained from further abuse of anyone. My real motive in my day-to-day relationship with its leaders is to get it out of the litigation business and get it to cease its assault on the justice system, its abuse of innocence and its threatening of me, my friends and people of good will everywhere. I know David Miscavige personally. I know him to be a bully, a liar and a perfect replacement for L. Ron Hubbard at the controls of his empire. I also know that God is in him as He is in everyone else and that bullying and lying are just mad and useless efforts to fight that fact.

12. Mr. Miscavige states that I advise one of his

covert operatives to accuse the organization of various criminal acts and when I am told that no evidence exists to support those charges I respond to "just allege it." (Miscavige Dec. p. 32, l. 5 - l. 8) "Better Basket" describes something of the context in which I make a statement differentiating between "allegations" and "proof." The operative I'm talking to is Mike Rinder. Before this meeting I had already, on request of the "Loyalists," provided them with a "bare bones" draft of a complaint. Complaints contain allegations. Complaints do not contain proof. Rinder, who had been represented to me as the Loyalists' "best legal mind" couldn't seem to get the distinction between allegations and proof in the complaint, and I was frustrated in our conversation because he seemed so dense. Now, of course, his denseness is fully understandable. He had to appear stupid and had to deny that there was any "proof" of the sort of allegations that would be made in a complaint because he knew he was being recorded on a videotape which was going to be used to attack, and if possible destroy me. Even what the organization has done to me alone (see, e.g., crimes listed by Judge Breckenridge and the list in paragraph 7 above) is enough for actual true-hearted reformers to bring a lawsuit to take control of the organization from the criminals now in charge.

13. During Mr. Miscavige's videotape operation a briefcase containing a book of my original drawings and writings and other documents was stolen from the trunk of my

car. My attorney made a demand on the organization for the return of these materials. The organization denied having them. I have recently been advised by Vicki Aznaran, a former organization executive who carried out operations against individuals on Mr. Miscavige's orders, that he told her at the time of their theft that he had them and he described them to her. Knowing that this declaration will be seen by Mr. Miscavige, I herewith renew my demand to him for the return of my materials to me.

14. I will also take the opportunity to advise this Court that Mr. Miscavige's organization considers that it has me under a contract whereby it may sue me for filing this declaration, not because it is untrue or libelous, but because that is what the organization insists its contract permits. This contract was obtained by Mr. Miscavige as the result of his organization's years of attack on my attorney Michael Flynn, as stated in paragraph 7 subparagraph h. above. In order to get the organization to cease its fair game against Mr. Flynn I had to sign its contract, which, according to Mr. Miscavige, allows him and his agents to say whatever they want about me in any court proceeding or in the media and I may not respond. If I do respond I become subject to a $50,000.00 liquidated damages provision for every utterance, and the target in another Miscavige-ordered costly and harassing lawsuit. The three lawsuits, Armstrong II, III and IV described in paragraph 7, subparagraphs o, p and q, and the contempt of court proceedings at subparagraph r, are all pursuant to this contract. The contract is

against public policy and illegal. Mr. Miscavige, moreover, entered into a separate illegal contract with Mr. Flynn, which prohibits Mr. Flynn from assisting me in any litigation against the organization. If Mr. Flynn were to assist me he would again be subjected to "fair game." Mr. Miscavige would be wise to rescind all these illegal contracts and discontinue his abuse of the legal process and totally eliminate from his organization the doctrine and practice of fair game, and not merely deny its existence.

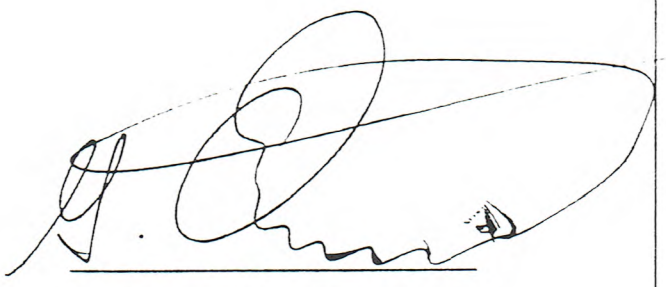
15. Mr. Miscavige claims to know a great deal about the IRS dropping me as a witness because of his videotapes. In truth I was not dropped as a witness at all, and my credibility, despite more than twelve years of his organization's attacks on it, is intact. One of the conditions of the 1986 "settlement" with Mr. Miscavige's organization was that in order for the organization to discontinue the "fair game" against Mr. Flynn I had to sign a knowingly false affidavit, essentially stating that Mr. Miscavige's new regime had discontinued the organization's criminal activities. Mr. Flynn claimed that the organization had already tried to murder him and he felt his life and his family were in danger. I fully believed Mr. Flynn because I had myself been the target of fair game for five years by then and had likewise been threatened with murder. I, along with several other of Mr. Flynn's clients, therefore signed these false affidavits which the organization had prepared. The organization then filed the false affidavits in its IRS litigations. Mr. Miscavige

makes much of the IRS granting his organization tax exempt status. Our government's turning its back on this organization's thousands of victims and apparently ignoring its obnoxious, irreligious and criminal core nature, however, does not make this victimization and antisocial nature either right or religious.

16. Mr. Miscavige also claims that Scientology's philosophy and practice of opportunistic hatred, called "fair game" by L. Ron Hubbard, its originator, doesn't exist. It does.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at San Anselmo, California, on February 22, 1994.



GERALD ARMSTRONG

HIBIT A

FILED

JUN 22 1984

John J. Corcoran,

Rosie M. Hart

BY ROSIE M. HART, DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF CALIFORNIA, Plaintiff, vs. GERALD ARMSTRONG, Defendant.	No. C 420153 MEMORANDUM OF INTENDED DECISION
MARY SUE HUBBARD, Intervenor.	

In this matter heretofore taken under submission, the Court announces its intended decision as follows:

As to the tort causes of action, plaintiff, and plaintiff in intervention are to take nothing, and defendant is entitled to Judgment and costs.

As to the equitable actions, the court finds that neither plaintiff has clean hands, and that at least as of this time, are not entitled to the immediate return of any document or objects presently retained by the court clerk. All exhibits

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EXHIBIT H

received in evidence or marked for identification, unless specifically ordered sealed[1], are matters of public record and shall be available for public inspection or use to the same extent that any such exhibit would be available in any other lawsuit. In other words they are to be treated henceforth no differently than similar exhibits in other cases in Superior Court. Furthermore, the "inventory list and description," of materials turned over by Armstrong's attorneys to the court, shall not be considered or deemed to be confidential, private, or under seal.

All other documents or objects presently in the possession of the clerk (not marked herein as court exhibits) shall be retained by the clerk, subject to the same orders as are presently in effect as to sealing and inspection, until such time as trial court proceedings are concluded as to the severed cross complaint. For the purposes of this Judgment, conclusion will occur when any motion for a new trial has been denied, or the time within such a motion must be brought has expired without such a motion being made. At that time, all documents neither received in evidence, nor marked for identification only, shall be released by the clerk to plaintiff's representatives. Notwithstanding this order, the parties may

1. Exhibits in evidence No. 500-40; JJJ; KKK; LLL: MMM; NNN; OOO; PPP; QQQ; RRR; and 500-QQQQ.

Exhibits for identification only No. JJJJ; Series 500-DDDD, EEEE, FFFF, GGGG, HHHH, IIII, NNNN-1, OOOO, ZZZZ, CCCCC, GGGGG, IIIII, KKKKK, LLLLL, OOOOO, PPPPP, QQQQQ, BBBBBB, OOOOOO, BBBBBBB.

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at any time by written stipulation filed with the clerk obtain release of any or all such unused materials.

Defendant and his counsel are free to speak or communicate upon any of Defendant Armstrong's recollections of his life as a Scientologist or the contents of any exhibit received in evidence or marked for identification and not specifically ordered sealed. As to all documents, and other materials held under seal by the clerk, counsel and the defendant shall remain subject to the same injunctions as presently exist, at least until the conclusion of the proceedings on the cross complaint. However, in any other legal proceedings in which defense counsel, or any of them, is of record, such counsel shall have the right to discuss exhibits under seal, or their contents, if such is reasonably necessary and incidental to the proper representation of his or her client.

Further, if any court of competent jurisdiction orders defendant or his attorney to testify concerning the fact of any such exhibit, document, object, or its contents, such testimony shall be given, and no violation of this order will occur. Likewise, defendant and his counsel may discuss the contents of any documents under seal or of any matters as to which this court has found to be privileged as between the parties hereto, with any duly constituted Governmental Law Enforcement Agency or submit any exhibits or declarations thereto concerning such document or materials, without violating any order of this court.

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This court will retain jurisdiction to enforce, modify, alter, or terminate any injunction included within the Judgment.

Counsel for defendant is ordered to prepare, serve, and file a Judgment on the Complaint and Complaint in Intervention, and Statement of Decision if timely and properly requested, consistent with the court's intended decision.

Discussion

The court has found the facts essentially as set forth in defendant's trial brief, which as modified, is attached as an appendix to this memorandum. In addition the court finds that while working for L.R. Hubbard (hereinafter referred to as LRH), the defendant also had an informal employer-employee relationship with plaintiff Church, but had permission and authority from plaintiffs and LRH to provide Omar Garrison with every document or object that was made available to Mr. Garrison, and further, had permission from Omar Garrison to take and deliver to his attorneys the documents and materials which were subsequently delivered to them and thenceforth into the custody of the County Clerk.

Plaintiff Church has made out a prima facie case of conversion (as bailee of the materials), breach of fiduciary duty, and breach of confidence (as the former employer who provided confidential materials to its then employee for certain specific purposes, which the employee later used for other purposes to plaintiff's detriment). Plaintiff Mary Jane Hubbard has likewise made out a prima facie case of conversion

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and invasion privacy (misuse by a pe n of private matters entrusted to him for certain specific purposes only).

While defendant has asserted various theories of defense, the basic thrust of his testimony is that he did what he did, because he believed that his life, physical and mental well being, as well as that of his wife were threatened because the organization was aware of what he knew about the life of LRH, the secret machinations and financial activities of the Church, and his dedication to the truth. He believed that the only way he could defend himself, physically as well as from harassing lawsuits, was to take from Omar Garrison those materials which would support and corroborate everything that he had been saying within the Church about LRH and the Church, or refute the allegations made against him in the April 22 Suppressive Person Declare. He believed that the only way he could be sure that the documents would remain secure for his future use was to send them to his attorneys, and that to protect himself, he had to go public so as to minimize the risk that LRH, the Church, or any of their agents would do him physical harm.

This conduct if reasonably believed in by defendant and engaged in by him in good faith, finds support as a defense to the plaintiff's charges in the Restatements of Agency, Torts, and case law.

Restatement of Agency, Second, provides:

> "Section 395f: An agent is privileged to reveal information confidentially acquired by him in the course of his agency in the protection of a superior interest of himself or a third person.

"Section 418: An agent is privileged to protect interests of his own which are superior to those of the principal, even though he does so at the expense of the principal's interest or in disobedience to his orders."

Restatement of torts, Second, section 271:

"One is privileged to commit an act which would otherwise be a trespass to or a conversion of a chattel in the possession of another, for the purpose of defending himself or a third person against the other, under the same conditions which would afford a privilege to inflict harmful or offensive contact upon the other for the same purpose."

The Restatement of Torts, Second, section 652a, as well as case law, make it clear that not all invasions of privacy are unlawful or tortious. It is only when the invasion is unreasonable that it becomes actionable. Hence, the trier of fact must engage in a balancing test, weighing the nature and extent of the invasion, as against the purported justification therefore to determine whether in a given case, the particular invasion or intrusion was unreasonable.

In addition the defendant has asserted as a defense the principal involved in the case of Willig v. Gold, 75 Cal.App.2d, 809, 814, which holds that an agent has a right or privilege to disclose his principal's dishonest acts to the party prejudicially affected by them.

Plaintiff Church has asserted and obviously has certain rights arising out of the First Amendment. Thus, the court cannot, and has not, inquired into or attempted to evaluate the

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merits, accuracy, or truthfulness of Scientology or any of its precepts as a religion. First Amendment rights, however, cannot be utilized by the Church or its members, as a sword to preclude the defendant, whom the Church is suing, from defending himself. Therefore, the actual practices of the Church or its members, as it relates to the reasonableness of the defendant's conduct and his state of mind are relevant, admissible, and have been considered by the court.

As indicated by its factual findings, the court finds the testimony of Gerald and Jocelyn Armstrong, Laurel Sullivan, Nancy Dincalcis, Edward Walters, Omar Garrison, Kima Douglas, and Howard Schomer to be credible, extremely persuasive, and the defense of privilege or justification established and corroborated by this evidence. Obviously, there are some discrepancies or variations in recollections, but these are the normal problems which arise from lapse of time, or from different people viewing matters or events from different perspectives. In all critical and important matters, their testimony was precise, accurate, and rang true. The picture painted by these former dedicated Scientologists, all of whom were intimately involved with LRH, or Mary Jane Hubbard, or of the Scientology Organization, is on the one hand pathetic, and on the other, outrageous. Each of these persons literally gave years of his or her respective life in support of a man, LRH, and his ideas. Each has manifested a waste and loss or frustration which is incapable of description. Each has broken with the movement for a variety of reasons, but at the same time, each is, still bound by the knowledge that the Church has

in its posse. on his or her most inner oughts and confessions, all recorded in "pre-clear (P.C.) folders" or other security files of the organization, and that the Church or its minions is fully capable of intimidation or other physical or psychological abuse if it suits their ends. The record is replete with evidence of such abuse.

In 1970 a police agency of the French Government conducted an investigation into Scientology and concluded, "this sect, under the pretext of 'freeing humans' is nothing in reality but a vast enterprise to extract the maximum amount of money from its adepts by (use of) pseudo-scientific theories, by (use of) 'auditions' and 'stage settings' (lit. to create a theatrical scene') pushed to extremes (a machine to detect lies, its own particular phraseology . .), to estrange adepts from their families and to exercise a kind of blackmail against persons who do not wish to continue with this sect."[2] From the evidence presented to this court in 1984, at the very least, similar conclusions can be drawn. In addition to violating and abusing its own members civil rights, the organization over the years with its "Fair Game" doctrine has harassed and abused those persons not in the Church whom it perceives as enemies. The organization clearly is schizophrenic and paranoid, and this bizarre combination seems to be a reflection of its founder LRH. The evidence portrays a man who has been virtually a pathological liar when it comes to his history,

2. Exhibit 500-HHHHH.

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background, [illegible] achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile. At the same time it appears that he is charismatic and highly capable of motivating, organizing, controlling, manipulating, and inspiring his adherents. He has been referred to during the trial as a "genius," a "revered person," a man who was "viewed by his followers in awe." Obviously, he is and has been a very complex person, and that complexity is further reflected in his alter ego, the Church of Scientology. Notwithstanding protestations to the contrary, this court is satisfied that LRH runs the Church in all ways through the Sea Organization, his role of Commodore, and the Commodore's Messengers.[3] He has, of course, chosen to go into "seclusion," but he maintains contact and control through the top messengers. Seclusion has its light and dark side too. It adds to his mystique, and yet shields him from accountability and subpoena or service of summons.

LRH's wife, Mary Sue Hubbard is also a plaintiff herein. On the one hand she certainly appeared to be a pathetic individual. She was forced from her post as Controller, convicted and imprisoned as a felon, and deserted by her husband. On the other hand her credibility leaves much to be desired. She struck the familiar pose of not seeing, hearing,

3. See Exhibit K: Flag Order 3729 - 15 September 1978 "Commodore's Messengers."

[illegible] FS 7-83

or knowing a evil. Yet she was the he.. of the Guardian Office for years and among other things, authored the infamous order "GO 121669"[4] which directed culling of supposedly confidential P.C. files/folders for purposes of internal security. In her testimony she expressed the feeling that defendant by delivering the documents, writings, letters to his attorneys, subjected her to mental rape. The evidence is clear and the court finds that defendant and Omar Garrison had permission to utilize these documents for the purpose of Garrison's proposed biography. The only other persons who were shown any of the documents were defendant's attorneys, the Douglasses, the Dincalcis, and apparently some documents specifically affecting LRH's son "Nibs," were shown to "Nibs." The Douglasses and Dincalcises were disaffected Scientologists who had a concern for their own safety and mental security, and were much in the same situation as defendant. They had not been declared as suppressive, but Scientology had their P.C. folders, as well as other confessions, and they were extremely apprehensive. They did not see very many of the documents, and it is not entirely clear which they saw. At any rate Mary Sue Hubbard did not appear to be so much distressed by this fact, as by the fact that Armstrong had given the documents to Michael Flynn, whom the Church considered its foremost

4. Exhibit AAA.

:76T- PS 7-83

lawyer-enemy.[5] However, just as the plaintiffs have First Amendment rights, the defendant has a Constitutional right to an attorney of his own choosing. In legal contemplation the fact that defendant selected Mr. Flynn rather than some other lawyer cannot by itself be tortious. In determining whether the defendant unreasonably invaded Mrs. Hubbard's privacy, the court is satisfied the invasion was slight, and the reasons and justification for defendant's conduct manifest. Defendant was told by Scientology to get an attorney. He was declared an enemy by the Church. He believed, reasonably, that he was subject to "fair game." The only way he could defend himself, his integrity, and his wife was to take that which was available to him and place it in a safe harbor, to wit, his lawyer's custody. He may have engaged in overkill, in the sense that he took voluminous materials, some of which appear only marginally relevant to his defense. But he was not a lawyer and cannot be held to that precise standard of judgment. Further, at the time that he was accumulating the material, he was terrified and undergoing severe emotional turmoil. The court is satisfied that he did not unreasonably intrude upon Mrs. Hubbard's privacy under the circumstances by in effect simply making his knowledge that of his attorneys. It is, of course, rather ironic that the person who authorized G.O. order 121669 should complain about an invasion of privacy. The

5. "No, I think my emotional distress and upset is the fact that someone took papers and materials without my authorization and then gave them to your Mr. Flynn." Reporter's Transcript, p. 1006.

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practice of culling supposedly confidental "P.C. folders or files" to obtain information for purposes of intimidation and/or harassment is repugnant and outrageous. The Guardian's Office, which plaintiff headed, was no respector of anyone's civil rights, particularly that of privacy. Plaintiff Mary Sue Hubbard's cause of action for conversion must fail for the same reason as plaintiff Church. The documents were all together in Omar Garrison's possession. There was no rational way the defendant could make any distinction.

Insofar as the return of documents is concerned, matters which are still under seal may have evidentiary value in the trial of the cross complaint or in other third party litigation. By the time that proceedings on the cross complaint are concluded, the court's present feeling is that those documents or objects not used by that time should be returned to plaintiff. However, the court will reserve jurisdiction to reconsider that should circumstances warrant.

Dated: June 20, 1984

Paul G. Breckenridge, Jr.

PAUL G. BRECKENRIDGE, JR.
Judge of the Superior Court

THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED IS A FULL, TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE AND OF RECORD IN MY OFFICE.

ATTEST SEP 11 1984 19

JOHN L. CORCORAN, County Clerk and Clerk of the Superior Court of California, County of Los Angeles

BY S. HURST DEPUTY

S. HURST

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Appendix

Defendant Armstrong was involved with Scientology from 1969 through 1981, a period spanning 12 years. During that time he was a dedicated and devoted member who revered the founder, L. Ron Hubbard. There was little that Defendant Armstrong would not do for Hubbard or the Organization. He gave up formal education, one-third of his life, money and anything he could give in order to further the goals of Scientology, goals he believed were based upon the truth, honesty, integrity of Hubbard and the Organization.

From 1971 through 1981, Defendant Armstrong was a member of the Sea Organization, a group of highly trained scientologists who were considered the upper echelon of the Scientology organization. During those years he was placed in various locations, but it was never made clear to him exactly which Scientology corporation he was working for. Defendant Armstrong understood that, ultimately, he was working for L. Ron Hubbard, who controlled all Scientology finances, personnel, and operations while Defendant was in the Sea Organization.

Beginning in 1979 Defendant Armstrong resided at Gilman Hot Springs, California, in Hubbard's "Household Unit." The Household Unit took care of the personal wishes and needs of Hubbard at many levels. Defendant Armstrong acted as the L. Ron Hubbard Renovations In-Charge and was responsible for renovations, decoration, and maintenance of Hubbard's home and office at Gilman Hot Springs.

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In January of 1980 there was an announcement of a possible raid to be made by the FBI or other law enforcement agencies of the property. Everyone on the property was required by Hubbard's representatives, the Commodore's Messengers, to go through all documents located on the property and "vet" or destroy anything which showed that Hubbard controlled Scientology organizations, retained financial control, or was issuing orders to people at Gilman Hot Springs.

A commercial paper shredder was rented and operated day and night for two weeks to destroy hundreds of thousands of pages of documents.

During the period of shredding, Brenda Black, the individual responsible for storage of Hubbard's personal belongings at Gilman Hot Springs, came to Defendant Armstrong with a box of documents and asked whether they were to be shredded. Defendant Armstrong reviewed the documents and found that they consisted of a wide variety of documents including Hubbard's personal papers, diaries, and other writings from a time before he started Dianetics in 1950, together with documents belonging to third persons which had apparently been stolen by Hubbard or his agents. Defendant Armstrong took the documents from Ms. Black and placed them in a safe location on the property. He then searched for and located another twenty or more boxes containing similar materials, which were poorly maintained.

On January 8, 1980, Defendant Armstrong wrote a petition to Hubbard requesting his permission to perform the research for a biography to be done about his life. The petition states

that Defendant Armstrong had located the subject materials and lists of a number of activities he wished to perform in connection with the biography research.

Hubbard approved the petition, and Defendant Armstrong became the L. Ron Hubbard Personal Relations Officer Researcher (PPRO Res). Defendant claims that this petition and its approval forms the basis for a contract between Defendant and Hubbard. Defendant Armstrong's supervisor was then Laurel Sullivan, L. Ron Hubbard's Personal Public Relations Officer.

During the first part of 1980, Defendant Armstrong moved all of the L. Ron Hubbard Archives materials he had located at Gilman Hot Springs to an office in the Church of Scientology Cedars Complex in Los Angeles. These materials comprised approximately six file cabinets. Defendant Armstrong had located himself in the Cedars Complex, because he was also involved in "Mission Corporate Category Sort-Out," a mission to work out legal strategy. Defendant Armstrong was involved with this mission until June of 1980.

It was also during this early part of 1980 that Hubbard left the location in Gilman Hot Springs, California, and went into hiding. Although Defendant Armstrong was advised by Laurel Sullivan that no one could communicate with Hubbard, Defendant Armstrong knew that the ability for communication existed, because he had forwarded materials to Hubbard at his request in mid-1980.

Because of this purported inability to communicate with Hubbard, Defendant Armstrong's request to purchase biographical materials of Hubbard from people who offered them for sale went

to the Commodore's Messenger Organization, the personal representatives of Hubbard.

In June of 1980 Defendant Armstrong became involved in the selection of a writer for the Hubbard biography. Defendant Armstrong learned that Hubbard had approved of a biography proposal prepared by Omar Garrison, a writer who was not a member of Scientology. Defendant Armstrong had meetings with Mr. Garrison regarding the writing of the biography and what documentation and assistance would be made available to him. As understood by Mr. Garrison, Defendant Armstrong represented Hubbard in these discussions.

Mr. Garrison was advised that the research material he would have at his disposal were Hubbard's personal archives. Mr. Garrison would only undertake a writing of the biography if the materials provided to him were from Hubbard's personal archives, and only if his manuscript was subject to the approval of Hubbard himself.

In October of 1980 Mr. Garrison came to Los Angeles and was toured through the Hubbard archives materials that Defendant Armstrong had assembled up to that time. This was an important "selling point" in obtaining Mr. Garrison's agreement to write the biography. On October 30, 1980, an agreement was entered into between Ralston-Pilot, ncv. F/S/O Omar V. Garrison, and AOSH DK Publications of Copenhagen, Denmark, for the writing of a biography of Hubbard.

Paragraph 10B of the agreement states that:

> "Publisher shall use its best efforts to provide Author with an office, an officer assistant and/or

research assistant, office supplies and any needed archival and interview materials in connection with the writing of the Work."

The "research assistant" provided to Mr. Garrison was Defendant Armstrong.

During 1980 Defendant Armstrong exchanged correspondence with Intervenor regarding the biography project. Following his approval by Hubbard as biography researcher, Defendant Armstrong wrote to Intervenor on February 5, 1980, advising her of the scope of the project. In the letter Defendant stated that he had found documents which included Hubbard's diary from his Orient trip, poems, essays from his youth, and several personal letters, as well as other things.

By letter of February 11, 1980, Intervenor responded to Defendant, acknowledging that he would be carrying out the duties of Biography Researcher.

On October 14, 1980, Defendant Armstrong again wrote to Intervenor, updating her on "Archives materials" and proposing certain guidelines for the handling of those materials.

It was Intervenor who, in early 1981, ordered certain biographical materials from "Controller Archives" to be delivered to Defendant Armstrong. These materials consisted of several letters written by Hubbard in the 1920's and 1930's, Hubbard's Boy Scout books and materials, several old Hubbard family photographs, a diary kept by Hubbard in his youth, and several other items.

Defendant Armstrong received these materials upon the order of Intervenor, following his letter of October 15, 1980,

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to her in which Defendant stated, at page 7, that there were materials in the "Controller Archives" that would be helpful to him in the biography research.

After these materials were delivered to Defendant Armstrong, Intervenor was removed from her Scientology position of Controller in 1981, presumably because of her conviction for the felony of obstruction of justice in connection with the theft of Scientology documents from various government offices and agencies in Washington, D.C.

During the time Defendant Armstrong worked on the biography project and acted as Hubbard Archivist, there was never any mention that he was not to be dealing with Hubbard's personal documents or that the delivery of those documents to Mr. Garrison was not authorized.

For the first year or more of the Hubbard biography and archive project, funding came from Hubbard's personal staff unit at Gilman Hot Springs, California. In early 1981, however, Defendant Armstrong's supervisor, Laurel Sullivan, ordered him to request that funding come from what was known as SEA Org Reserves. Approval for this change in funding came from the SEA Org Reserves Chief and Watch Dog Committee, the top Commodores Messenger Organization unit, who were Hubbard's personal representatives.

From November of 1980 through 1981, Defendant Armstrong worked closely with Mr. Garrison, assembling Hubbard's archives into logical categories, copying them and arranging the copies of the Archives materials into bound volumes. Defendant Armstrong made two copies of almost all documents copied for

Mr. Garrison - one for Mr. Garrison and the other to remain in Hubbard Archives for reference or recopying. Defendant Armstrong created approximately 400 binders of documents. The vast majority of the documents for Mr. Garrison came from Hubbard's personal Archives, of which Defendant Armstrong was in charge. Materials which came from other Archives, such as the Controller Archives, were provided to Defendant Armstrong by Scientology staff members who had these documents in their care.

It was not until late 1981 that Plaintiff was to provide a person to assist on the biography project by providing Mr. Garrison with "Guardian Office' materials, otherwise described as technical materials relating to the operation of Scientology. The individual appointed for this task was Vaughn Young. Controller Archives and Guardian Office Archives had no connection to the Hubbard Archives, which Defendant Armstrong created and maintained as Hubbard's personal materials.

In addition to the assemblage of Hubbard's Archives, Defendant Armstrong worked continually on researching and assembling materials concerning Hubbard by interviewing dozens of individuals, including Hubbard's living aunt, uncle, and four cousins. Defendant Armstrong did a geneology study of Hubbard's family and collected, assembled, and read hundreds of thousands of pages of documentation in Hubbard's Archives.

During 1980 Defendant Armstrong remained convinced of Hubbard's honesty and integrity and believed that the representations he had made about himself in various publications were truthful. Defendant Armstrong was devoted to

Hubbard and was convinced that any information which he discovered to be unflattering of Hubbard or contradictory to what Hubbard has said about himself, was a lie being spread by Hubbard's enemies. Even when Defendant Armstrong located documents in Hubbard's Archives which indicated that representations made by Hubbard and the Organization were untrue, Defendant Armstrong would find some means to "explain away" the contradictory information.

Slowly, however, throughout 1981, Defendant Armstrong began to see that Hubbard and the Organization had continuously lied about Hubbard's past, his credentials, and his accomplishments. Defendant Armstrong believed, in good faith, that the only means by which Scientology could succeed in what Defendant Armstrong believed was its goal of creating an ethical environment on earth, and the only way Hubbard could be free of his critics, would be for Hubbard and the Organization to discontinue the lies about Hubbard's past, his credentials, and accomplishments. Defendant Armstrong resisted any public relations piece or announcement about Hubbard which the L. Ron Hubbard Public Relations Bureau proposed for publication which was not factual. Defendant Armstrong attempted to change and make accurate the various "about the author" sections in Scientology books, and further, Defendant rewrote or critiqued several of these and other publications for the L. Ron Hubbard Public Relations Bureau and various Scientology Organizations. Defendant Armstrong believed and desired that the Scientology Organization and its leader discontinue the perpetration of the

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massive fraud upon the innocent followers of Scientology, and the public at large.

Because of Defendant Armstrong's actions, in late November of 1981, Defendant was requested to come to Gilman Hot Springs by Commodore Messenger Organization Executive, Cirrus Slevin. Defendant Armstrong was ordered to undergo a "security check," which involved Defendant Armstrong's interrogation while connected to a crude Scientology lie detector machine called an E-meter.

The Organization wished to determine what materials Defendant Armstrong had provided to Omar Garrison. Defendant Armstrong was struck by the realization that the Organization would not work with him to correct the numerous fraudulent representations made to followers of Scientology and the public about L. Ron Hubbard and the Organization itself. Defendant Armstrong, who, for twelve years of his life, had placed his complete and full trust in Mr. and Mrs. Hubbard and the Scientology Organization, saw that his trust had no meaning and that the massive frauds perpetrated about Hubbard's past, credentials, and accomplishments would continue to be spread.

Less than three weeks before Defendant Armstrong left Scientology, he wrote a letter to Cirrus Slevin on November 25, 1981, in which it is clear that his intentions in airing the inaccuracies, falsehoods, and frauds regarding Hubbard were done in good faith. In his letter he stated as follows:

> "If we present inaccuracies, hyperbole or downright lies as fact or truth, it doesn't matter what slant we give them, if

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disproved the man will look, to outsiders at least, like a charlatan. This is what I'm trying to prevent and what I've been working on the past year and a half.

. . .

"and that is why I said to Norman that it is up to us to insure that everything which goes out about LRH is one hundred percent accurate. That is not to say that opinions can't be voiced, they can. And they can contain all the hype you want. But they should not be construed as facts. And anything stated as a fact should be documentable.

"we are in a period when 'investigative reporting' is popular, and when there is relatively easy access to documentation on a person. We can't delude ourselves I believe, if we want to gain public acceptance and cause some betterment in society, that we can get away with statements, the validity of which we don't know.

"The real disservice to LRH, and the ultimate make-wrong is to go on assuming that everything he's ever written or said is one hundred percent accurate and publish it as such without verifying it. I'm

talking here about biographical or non-technical writings. This only leads, should any of his statements turn out to be inaccurate, to a make-wrong of him, and consequently his technology.

"That's what I'm trying to remedy and prevent.

. . .

"To say that LRH is not capable of hype, errors or lies is certanly ^sic] not granting him much of a beingness. To continue on with the line that he has never erred nor lied is counterproductive. It is an unreal attitude and too far removed from both the reality and people in general that it would widen public unacceptance.

. . . .

". . . That is why I feel the falsities must be corrected, and why we must verify our facts and present them in a favorable light."

The remainder of the letter contains examples of facts about Hubbard which Defendant Armstrong found to be wholly untrue or inaccurate and which were represented as true by the Hubbards and the Scientology Organization.

In December of 1981 Defendant Armstrong made the decision to leave the Church of Scientology. In order to continue in

his commitment to Hubbard and Mr. Garrison in the biography project, he copied a large quantity of documents, which Mr. Garrison had requested or which would be useful to him for the biography. Defendant Armstrong delivered all of this material to Mr. Garrison the date he left the SEA Organization and kept nothing in his possession.

Thereafter, Defendant Armstrong maintained friendly relations with Hubbard's representatives by returning to the Archives office and discussing the various categories of materials. In fact on February 24, 1982, Defendant Armstrong wrote to Vaughn Young, regarding certain materials Mr. Young was unable to locate for Omar Garrison.

After this letter was written, Defendant Armstrong went to the Archives office and located certain materials Mr. Garrison had wanted which Hubbard representatives claimed they could not locate.

At the time Defendant Armstrong left the SEA Organization, he was disappointed with Scientology and Hubbard, and also felt deceived by them. However, Defendant Armstrong felt he had no enemies and felt no ill will toward anyone in the Organization or Hubbard, but still believed that a truthful biography should be written.

After leaving the SEA Organization, Defendant ARmstrong continued to assist Mr. Garrison with the Hubbard biography project. In the spring of 1982, Defendant Armstrong at Mr. Garrison's request, transcribed some of his interview tapes, copied some of the documentation he had, and assembled several more binders of copied materials. Defendant Armstrong also set

up shelves for Mr. Garrison for all the biography research materials, worked on a cross-reference systems, and continued to do library research for the biography.

On February 18, 1982, the Church of Scientology International issued a "Suppressive Person Declare Gerry Armstrong," which is an official Scientology document issued against individuals who are considered as enemies of the Organization. Said Suppressive Person Declare charged that Defendant Armstrong had taken an unauthorized leave and that he was spreading destructive rumors about Senior Scientologists.

Defendant Armstrong was unaware of said Suppressive Person Declare until April of 1982. At that time a revised Declare was issued on April 22, 1982. Said Declare charged Defendant Armstrong with 18 different "Crimes and High Crimes and Suppressive Acts Against the Church." The charges included theft, juggling accounts, obtaining loans on money under false pretenses, promulgating false information about the Church, its founder, and members, and other untruthful allegations designed to make Defendant Armstrong an appropriate subject of the Scientology "Fair Game Doctrine." Said Doctrine allows any suppressive person to be "tricked, cheated, lied to, sued, or destroyed."

The second declare was issued shortly after Defendant Armstrong attempted to sell photographs of his wedding on board Hubbard's ship (in which Hubbard appears), and photographs belonging to some of his friends, which also included photos of L.R. Hubbard while in seclusion. Although Defendant Armstrong delivered the photographs to a Virgil Wilhite for sale, he

never received payment or return of his friend's photographs. When he became aware that the Church had these photographs, he went to the Organization to request their return. A loud and boisterous argument ensued, and he eventually was told to leave the premises and get an attorney.

From his extensive knowledge of the covert and intelligence operations carried out by the Church of Scientology of California against its enemies (suppressive persons), Defendant Armstrong became terrified and feared that his life and the life of his wife were in danger, and he also feared he would be the target of costly and harassing lawsuits. In addition, Mr. Garrison became afraid for the security of the documents and believed that the intelligence network of the Church of Scientology would break and enter his home to retrieve them. Thus, Defendant Armstrong made copies of certain documents for Mr. Garrison and maintained them in a separate location.

It was thereafter, in the summer of 1982, that Defendant Armstrong asked Mr. Garrison for copies of documents to use in his defense and sent the documents to his attorneys, Michael Flynn and Contos & Bunch.

After the within suit was filed on August 2, 1982, Defendant Armstrong was the subject of harassment, including being followed and surveilled by individuals who admitted employment by Plaintiff; being assaulted by one of these individuals; being struck bodily by a car driven by one of these individuals; having two attempts made by said individuals apparently to involve Defendant Armstrong in a freeway

automobile accident; having said individuals come onto Defendant Armstrong's property, spy in his windows, create disturbances, and upset his neighbors. During trial when it appeared that Howard Schomer (a former Scientologist) might be called as a defense witness, the Church engaged in a somewhat sophisticated effort to suppress his testimony. It is not clear how the Church became aware of defense intentions to call Mr. Schomer as a witness, but it is abundantly clear they sought to entice him back into the fold and prevent his testimony.

EXHIBIT B

FIND A BETTER BASKET

A Literary Work Created and Written
by
GERALD ARMSTRONG

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Copyright © 1994 Gerald Armstrong
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I, Gerald Armstrong, declare:

1. I am making this declaration in response to allegations made by Scientology organization leaders, attorneys and agents in court proceedings and public media around the world concerning a 1984 organization intelligence operation targeting me, which has been called the "Armstrong Operation." I am copyrighting this document prior to its use in court because it will, in addition to putting the organization's allegations into a proper context, form an outline for a screenplay I am writing. It is my story.

2. After I left the organization at the end of 1981, the organization intelligence bureau assigned Dan Sherman, a Los Angeles spy story writer and intel operative, to get close to me and become my friend, which he did. I had been the intelligence officer on board the "Apollo" with the organization's founder and supreme leader L. Ron Hubbard, had studied his intelligence policies and Guardian's Office[1/] intelligence materials, had an

[1/] The Guardian's Office ("GO"), headed from 1966 to 1981 by Mary Sue Hubbard, who reported to and was controlled by L. Ron Hubbard, consisted of five bureaus: Intelligence, Public Relations, Legal, Finance and Social Coordination (front groups). The GO was responsible for hiding its money and its actual command lines, defending the organization against attacks and for eliminating all opposition to its progress. Hubbard patterned its intelligence bureau, B-1, and the organization's total espionage mentality on the work of Reinhard Gehlen, Hitler's spy master. On Hubbard's orders, after the conviction of 11 top GO intelligence personnel, including Mary Sue, for criminal activities against the US Government, Scientology's second major arm of power, the Sea Organization, in a 1981 putsch took control of the GO's functions and subsequently renamed the GO arm the Office of Special Affairs, "OSA."

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appreciation for that literary genre, and I was myself a writer, so Sherman and I had a real basis for a real friendship.

3. Sherman told me he was no longer involved in Scientology, wanted nothing to do with it, saw it as a personal waste of time, and also saw that its leaders were ruthless and dangerous, and claimed to be afraid of them finding out that he was friends with me. Sometime in 1982 or 1983 he told me that he was still in communication in a limited way with some of his old friends still in the organization. He described these friends as smart, reasonable and not fanatics. They were still Scientologists and worked on staff, but felt that organization leaders were criminals. Having no allegiance to these leaders, Sherman's friends would occasionally tell him about conditions inside and their desire to end the organization's criminal activities. They said the conditions inside were oppressive and chaotic and they were at risk even talking to him because sec checks[2/] were rampant.

4. During the 1984 trial of the organization's case against me, Church of Scientology of California and Mary Sue Hubbard v. Gerald Armstrong, Los Angles Superior Court no. C 420153 ("Armstrong I"), Sherman told me that one of these friends, whom he called "Joey," had told him that there was an

[2/] Sec checks are accusatory interrogations using Hubbard's electropsychometer or E-Meter as a lie detector. Sec checks could be brutal, could go on for many hours or days, could involve several people asking questions, threatening and badgering, and could have disastrous results for the interrogee.

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actual group inside the organization who were dedicated to reforming it because management had become suppressive. They called themselves the "Loyalists," claiming to be "loyal" to the preservation of the ideals of Scientology, "what worked." They also recognized that its leaders were criminal, crazy, dangerous, and not dedicated to those ideals but were acting to destroy them. The "Loyalists" wanted to take control in a well-planned, effective and peaceful action before some tragedy happened. They claimed to know of criminal activities and a key part of their plan was the documenting of these activities.

5. Sherman said they were 35 in number, or at least there were 35 who knew they were "Loyalists," all smart, reasonable and not fanatics. Some of them were his old friends from B-1. Such persons tended to be smart, reasonable and often were not fanatics. The people whom I knew to be, including Hubbard, the organization leaders, prided themselves on their recognition of unreasonableness as a virtue, and maintained an abiding fanaticism to justify their abuses and keep their positions of power. Sherman was smart and gave every appearance of being reasonable and unfanatical. He said the Loyalists knew he was in communication with me and wanted to talk with me but were afraid for their lives. This was not surprising to me because I knew from my own experiences that the organization had a brutal side and its leaders were dangerous, armed and desperate. Thus the first communications with the Loyalists were a few messages relayed by Sherman. They said that I had a proven record against

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the organization, that my integrity had been unshakable and they wanted my help.

6. A few days after the Armstrong I trial ended, Joey, who, I later learned, was actually one David Kluge, made the first direct contact with me, a phone call to my home in Costa Mesa, California. He said the Loyalists knew I wanted my pc folders[3], that my folders were being moved on a certain day and that I could get them if I wanted. I told Kluge that even though the folders were mine the organization would claim, if it was discovered I had them, that I was accepting stolen property, so I had to decline his offer. I was also already booked, on the same day the Loyalists said they would get me my pc folders, to fly to London to testify in a child custody case[4] involving

[3] Pc folders, also called preclear or auditing files or folders, contain the record of processes run and questions asked by the auditor (psychotherapist), E-Meter reads, and answers given and statements made by the preclear (or patient) during Scientology auditing (or psychotherapy) sessions. It was well known that I had opposed and exposed the organization's misuse of information divulged by the organization's "preclears" (what were essentially psychotherapist-patient confidences) in auditing. I had been attempting to get the organization to deliver to me my pc folders throughout the Armstrong I litigation, and the misuse of auditing information was an issue in the Armstrong I trial. Judge Paul G. Breckenridge, Jr. stated in his decision following the 30-day Armstrong I trial: "[Mary Sue Hubbard] was the head of the Guardian Office for years and among other things, authored the infamous order "GO 121669" which directed culling of supposedly confidential P.C. files/folders for the purposes of internal security." "The practice of culling supposedly confidential "P.C. folders or files" to obtain information for purposes of intimidation and/or harassment is repugnant and outrageous. The Guardian's Office, which plaintiff [Mary Sue Hubbard] headed, was no respector of anyone's civil rights, particularly that of privacy."

[4] This Royal Courts of Justice case, known as Re: B and G

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Scientology, and I told Kluge that I couldn't change my plans.

7. When I returned from the UK, where, incidentally, I had been harassed by a pack of English private investigators working for the organization, Kluge reestablished contact, and I communicated with him or Sherman several times over the next few months. I was happy to be in communication with them, because I'm happy to be in communication with anyone, and my relationship with the Loyalists, who were admitted Scientologists, seemed a spark of hope in the seemingly hopeless and threatening Scientology situation.

8. I have believed and stated that when Scientologists have the freedom to communicate to the people their leaders label "enemies," Scientology will cease to have enemies. The organization's leaders prohibit their minions from communicating with me, thus I am their enemy. This prohibition is enforced with severe "ethics" punishment, which could easily include "declaring" the person who dared to communicate with me a "suppressive" person, thus making him the target of the organization's philosophy and practice of opportunistic hatred Hubbard called "fair game."

9. I had lost my law office job because of the Armstrong I trial, which really ran from April into June, 1984, and I did not get another job for some months, so had considerable time on my

4/ (Continued) (Wards), resulted in a Judgment on July 23, 1984 issued by Justice Latey in favor of the non-Scientologist parent. The Judgement, which was upheld on appeal, contained a scathing condemnation of organization policies and practices.

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hands in the fall of 1984 to meet with Sherman and the Loyalists and do some of the things they wanted. I had begun to draw and write seriously during this period, and some of my writings concerned the Scientology battle and the Loyalists. My situation with the organization and the Loyalists was bizarre and psychologically traumatic, and this is reflected in my writings of the period. Thanks to, I believe, my growing faith in God I was given the gift of a healthy sense of humor and that too is a facet of my communications and writings during the period.

10. In late July, 1984 the organization fed to the media the story, and filed papers in various court cases, including Armstrong I, charging, that Michael Flynn, who had fought the organization's fair game tactics for five years, who had been my friend and attorney for two years and had just successfully defended me in the Armstrong I trial, was behind a plot to cash a forged check for $2,000,000.00 on one of Hubbard's accounts at the Bank of New England. Sherman and Kluge communicated that the Loyalists knew Flynn was not involved, and that the organization leaders knew Flynn was uninvolved but were framing him with the forgery. The Loyalists said that they were working inside the organization to acquire the proof of the frame-up, and that when they proved Flynn's innocence they would be in a position to effectuate the reforms they sought. This was fine with me, because I fully believed that Flynn was innocent, and that the organization was framing him just to be able to attack him to eliminate the threat he represented to its antisocial practices

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and nature.

11. Over the next few months Sherman and Kluge communicated with me regularly about the Loyalists' progress in documenting the truth about the Flynn frame-up. They claimed that all staff were searched before they could leave OSA or management offices, so it was hard to get any documents out. Nevertheless, on a couple of occasions Sherman and Joey gave me a page or two that had been smuggled out. I learned that a US Attorney in Boston had become involved in the investigation of the frame-up, and I passed whatever I got from the Loyalists to him through Flynn.

12. One of the ideas which developed with the Loyalists in the early fall of 1984 was the possible filing of a lawsuit to take control of the organization from the "criminals." I saw this as an idea with merit, and could be the effective action the Loyalists said they were looking for to avert a major organization tragedy. I told Flynn what they wanted and he drafted a "bare bones" complaint which I passed to them. Sherman, Kluge and I discussed the lawsuit concept on several occasions, both of them asking me for my ideas and I helped as I could within the limits of my knowledge, ability and imagination.

13. The Loyalists then began discussing with me finding a financial "backer" for their lawsuit, basing this need on the likelihood that the bringing of the suit would freeze organization accounts, and the Loyalists would need operating capital. They claimed that the leaders had lots of money they had skimmed from the organization and squirreled away in their

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own bank accounts, and the Loyalists were all staff members and thus broke. I couldn't help them with money, and knew of no one who might finance whatever they did, so they said that, because I understood the situation so well, and had a proven record, they wanted me to talk to and encourage some prospective backers with whom they were in touch. One day I got a call from Kluge, asking me to fly to Las Vegas to meet with such a person, a "rich Scientologist" who had been mistreated by the organization and was aligned with the Loyalists on their goal of reformation. Although on Kluge's instructions I purchased a plane ticket, I called off the trip before leaving because my lawyers warned me that I could be walking into a trap.

14. There were many times during this period when I considered the possibility that I was walking into a trap. The thought arose in all my meetings with Kluge, and later with Mike Rinder, the second Loyalist I would meet. Their communications often didn't jibe with what they or Sherman had said on earlier occasions, and sometimes they said things which were downright stupid. I had no way of originating a communication to them, had no telephone numbers, no locations, no names, and no idea what any of them did. They had my address, phone number, knew exactly what I did, and could call me any time they wanted. They told me almost nothing, and wanted to know everything I knew. They claimed I had to be kept in the dark because of their fear for their lives, and for that reason I went along with their, even to me, strange behavior.

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15. Because of their fear for their lives they depended on secrecy, duplicity and intelligence procedures and goals. Although I had been in intelligence in the organization and had the essential quality for the field; i.e., native intelligence, I had, after leaving the organization, come to the conclusion that Scientology's brand of intelligence; i.e., the secret world of data, duplicity, stealth, hidden intentions and hidden identities, was ineffective, unhealthy, unholy, and not my choice for how I would make my way through life and deal with my problems. Even inside the organization, which is an intelligence-based group, I had urged those who were in positions to do something about it to open up, stop lying, disclose its leaders, divulge its secrets; because I felt that its lies, secrets, and secret orders from its secret leaders would only bring upon it more problems. After leaving the organization, a factor in my life which led to my faith in openness and freedom as opposed to secrecy and leverage, was all the testifying I did, in trial in Armstrong I and in B & G Wards, and in many days of depositions in several more Scientology-related cases. Also I knew that the organization's leaders, who had an undeniable determination to harm me, possessed my pc folders which contained every embarrassing incident or thought in my life, and my lives back umpteen impossibillion years. These facts had resulted in a tendency in me at times during this period to not care what happened to me and to act a little wild and silly.

16. Sometime during 1984 it came to me that what I was

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following, and what was a far superior technology and faith than intelligence, or perhaps perfect intelligence, was guidance. I had been given, before and after my asking, a desire to know my Creator, and I believe I received during this period some of His communications to me. Hubbard in his writings put no faith in his Creator, but put it in something of his own making, an intelligence apparatus in which he was the secret leader with secret bank accounts, secret communication lines, secret codes, secret intentions, and secret lawyers to keep them all secret. I had come to know God a little, and understood that no matter how scary things got I was in hands in which I was in no real danger. I could be shot, my body could be destroyed, I could be defamed and ruined, and I would still be in no real danger. And things did get scary for me in my dealings with Sherman and the Loyalists during this period. I picked up surveillance on a number of occasions, and there was the nagging strangeness of the Loyalists' communications and the movie-like quality of this play in which I was being played with. I still retained my intellect and acted with good sense most of the time, but a shift was occurring in my mind and soul. I began to walk deliberately into danger, but I was also new at this approach to life, and as yet a little foolhardy and undisciplined, and these facts too are reflected in my writings and actions of the period.

17. Sherman's and Kluge's interest was intelligence and they didn't want to hear much of my philosophy of guidance, courage and openness, so I turned my mind to the intelligence

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game, and as always happens when I turn my mind to any subject, I had ideas. Some of these ideas I communicated to the Loyalists, some I wrote down, some were only funny. Our meetings had a secretive, spy story feel to them, partly because of the danger the Loyalists said they were in and the danger I was in anyone would say, partly because of the subject matter we discussed, and partly because of the settings in which we met. Sherman insisted that I couldn't come to his home, so we met on many occasions in the bird sanctuary in Griffith Park. My first meeting with Kluge was in a cemetery in Glendale. I met him two more times in early November at different locations in Griffith Park, and then met with Rinder two times in late November at two more locations in the park.

18. Sherman told me around October, 1984 that the Loyalists had found a potential backer, a woman named Rene, another "rich Scientologist," who he said had been horribly hurt by the organization. He said he knew her personally and considered her a good and trusted friend. He said that she owned a publishing company which printed calendars, that he had told her about my artwork and writing, and that she wanted to see some of my materials for possible publication. Following our first meeting in Griffith Park Kluge took me to the Sheraton Grand Hotel in downtown Los Angeles to meet her. I took along a file of some of my work and left it with her. In my meeting with her she wanted to know my perspective on the lawsuit idea and my thoughts on removing the organization's criminal leadership.

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19. While claiming that the Loyalists wanted to take legal action to bring about a safe transfer of power, both Sherman and Kluge also claimed that they didn't know anything about legal matters, nor any of the organization's litigations, and that there were other people higher up in the Loyalist network who were trained in legal, stayed abreast of the organization's litigation battles, and had an understanding of the Loyalists' legal options and an overview of their plan which Sherman and Kluge didn't have. Coupled with their claimed need to keep me in the dark for fear of their lives, their assertions of ignorance of legal matters caused considerable frustration in me and in our communications. As a result, I requested in a number of communications to speak to their "best legal mind."

20. Finally the Loyalists said that their legal expert would meet me and a rendezvous was set up, again in Griffith Park. The "legal expert" turned out to be Mike Rinder, a person I had known in the organization, who had held various lower level administrative posts. Rinder, it turned out, also professed ignorance of legal concepts, and my meetings and communications with him were even more frustrating.

21. Some time after my last meeting with Rinder, which occurred November 30, 1984, I received a phone call from Kluge, advising me that the Loyalists did not trust me and would not be communicating with me again. I then wrote them my final communication, a copy of which is appended hereto as Exhibit A, and gave it to Sherman to give to them.

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22. During my cross-examination in the spring, 1985 trial of Julie Christofferson v. Scientology, Circuit Court of the State of Oregon, Multnomah County, No. A7704-05184, the organization broke the fact that Sherman, Kluge and Rinder had been covert operatives, the Loyalists were invented, and that my meetings with Kluge and Rinder had been videotaped. The organization called the whole more than two year affair the "Armstrong Operation." Organization lawyers, Earle Cooley and John Peterson, claimed the Armstrong operation had been authorized by the Los Angeles Police Department, and they produced a letter dated November 7, 1984, a copy of which is appended hereto as Exhibit B, signed by an officer Phillip Rodriguez, directing organization private investigator Eugene M. Ingram to electronically eavesdrop on me and Michael Flynn.

23. On April 23, 1985, Los Angeles Police Chief Darryl F. Gates issued a public statement, a copy of which is appended hereto as Exhibit C, denying that the Rodriguez letter was a correspondence from the Los Angeles Police Department, denying that the Los Angeles Police Department had cooperated with Ingram, and stating emphatically that all purported authorizations directed to Ingram by any member of the Los Angeles Police Department are invalid and unauthorized. On information and belief, the officer, Phillip Rodriguez, who signed Ingram's letter was paid $10,000.00 for his signature. Also on information and belief, following a Los Angeles Police Department Internal Affairs Division investigation and a Police

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Department Board of Rights, Officer Rodriguez was suspended from the Los Angeles Police Force. Eugene Ingram had himself some years before been drummed out of the Los Angeles Police Department. He is reputed to have been busted for pandering and taking payoffs from drug dealers. He is a liar and a bully who has been involved in organization intelligence operations against its perceived enemies for many years. During the period I was involved with the Loyalists Ingram called me at my home and threatened to put a bullet between my eyes.

24. Initially the presiding judge in the Christofferson trial Donald F. Londer refused to admit the tapes because they had been obtained illegally. Then he viewed them in chambers and when he returned to the bench stated that "the tapes are damaging, very damaging to the church." Then he admitted them into evidence.

25. Despite Judge Londer's ruling and comments, and despite Chief Gates' repudiation of the Rodriguez "authorization," the organization has continued in press and courts around the world to claim that the videotape operation was "police-sanctioned." The organization has continued to claim that I originated the "plot to overthrow "church" management" and that I initiated the contact with the organization members, who merely played along with my plan while remaining "loyal" to the organization. It also has continued to claim that the videotapes show me plotting to forge documents and seed them in organization files to be found in a raid, show me creating "sham lawsuits," show me urging

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the Loyalists to not prove anything but "just allege it," and show me seeking to take control of the organization. The videotapes show none of those things. The tapes show that in the fall of 1984, during the reign of the organization's present supreme leader David Miscavige (DM), the fair game doctrine was alive and as unfair as ever. The tapes show a mean-spirited, mendacious and malevolent organization using well-drilled operatives and electronic gadgetry to attempt, unsuccessfully, to set up an unwitting, funny, sometimes silly, clearly helpful, at times foul-mouthed, but otherwise ordinary human male.

26. The organization's refusal to stop telling these lies is not surprising, however, because its leaders have put so many of their eggs in their dirty tricks basket. These leaders are unbalanced and in a very precarious situation. Having lied about the Armstrong Operation in so many courts and publications and to so many people, including their own followers, these leaders risk their positions of power, and in their minds their very lives, if they ever admit the breadth of those lies. Yet it is in the acknowledgement of the truth behind those lies where ultimately their safety will be found.

27. It has not ceased to be embarrassing to me whenever the organization trots out the Armstrong videotapes, because I do say some silly and raunchy things. But the organization has never been able to embarrass me into silence and it won't now.

28. The Scientology legal war has almost run its course. The organization's leaders can never rewrite all history.

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Scientologists of good will everywhere can be free.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at San Anselmo, California, on February 20, 1994.



GERALD ARMSTRONG

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EXHIBIT C

EUGENE M. INGRAM
INGRAM INVESTIGATIONS
California License Number AA9387
1212 North Vermont Avenue
Los Angeles, California 90029

November 7, 1984

To: EUGENE M. INGRAM, PRIVATE INVESTIGATOR

From: PHILLIP RODRIGUEZ, POLICE OFFICER, NORTHEAST DIVISION, CITY OF LOS ANGELES

I hereby direct EUGENE M. INGRAM and his employees/agents or other persons acting under his direction, to intentionally and without the consent of all parties to a confidential communication, by means of any electronic amplifying or recording device, eavesdrop upon or record such confidential communication, whether such communication is carried on among such parties in the presence of one another or by means of a telegraph, telephone or other device, for the period November 7, 1984 thru November 14, 1984; provided however, that if recordings are accomplished on any day during the above period, EUGENE M. INGRAM is to report the results to me for further direction by me.

This authorization shall specifically pertain to the investigation of GERRY ARMSTONG, MICHAEL J. FLYNN, AND OTHERS NOT KNOWN AT THIS TIME, regarding possible criminal violations of, but not limited to, California Penal Code §664 (Attempts), §134 (Preparing False Documentary Evidence), §182 (Conspiracy) and/or any other violations of criminal laws.

This authorization is in compliance with California Penal Code §633.

Signed in Los Angeles, California, on November 7, 1984.

OFFICER PHILLIP RODRIGUEZ
SERIAL NUMBER 16924
LOS ANGELES POLICE DEPARTMENT

EXHIBIT "A"

EXHIBIT D

April 23, 1985

PUBLIC ANNOUNCEMENT
BY
DARYL F. GATES
CHIEF OF POLICE, LOS ANGELES

It has come to my attention that a member of the L. A. P. D. very foolishly, without proper authorization and contrary to the policy of this Department, signed a letter to Eugene M. Ingram, believed to have been drafted by Ingram himself. The letter purports to authorize Ingram to engage in electronic eavesdropping. The letter, along with all the purported authorization, is invalid and is NOT a correspondence from the Los Angeles Police Department.

The Los Angeles Police Department has not cooperated with Eugene Ingram. It will be a cold day in hell when we do.

I have directed an official letter to Ingram informing him that the letter signed by Officer Phillip Rodriguez dated November 7, 1984, and all other letters of purported authorizations directed to him, signed by any member of the Los Angeles Police Department, are invalid and unauthorized.

Internal Affairs Division is now investigating the entire incident.

THIS IS TO CERTIFY THAT I HAVE EXAMINED THE ORIGINAL OF THIS DOCUMENT AND FIND THIS REPRODUCTION TO BE A TRUE COPY OF SAME, MADE WITHOUT ALTERATIONS OR ERASURES.

By Sgt C Hernandez 14828
RECORDS & IDENTIFICATION DIVISION
LOS ANGELES POLICE DEPARTMENT

Dated: 5-16-85

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10-25-91

RECEIVED
NOV 1 5 1991
HUB LAW OFFICES

RELIGIOUS TECHNOLOGY CENTER
EXECUTIVE DIRECTIVE No. 450

TO: ALL SCIENTOLOGISTS™

BROAD PUBLIC ISSUE
POST PUBLIC NOTICE BOARD

FROM: CHAIRMAN OF THE BOARD
RELIGIOUS TECHNOLOGY CENTER

6 September 1991

DEFENDANT'S EXHIBIT 35
7/27/94 EARLY

THE SCOPE OF SCIENTOLOGY®—AUDITOR'S DAY 1991
Announcement of a General Amnesty

Reference: Ron's Journal 34
The Future of Scientology

The purpose of Religious Technology Center is to see that Scientology is kept pure and on-source and in this way to keep Scientology working.

Scientology works 100 percent of the time, when it is known and applied without alter-is. There has never in our history been a failure of the technology itself. The only failures have been staff or organizational failures when the technology was not known or applied.

It is therefore obvious that the future of Scientology depends on having the technology—pure and unadulterated—and seeing that it is applied.

Auditor's Day 1991 marks the completion of the Church's largest and most extensive strategy aimed totally at keeping Scientology working.

After 24 January 1986, when LRH departed his body, we knew our responsibilities as Scientologists increased tenfold. Our job was to see that Scientology was kept pure and on-source. All discoveries and developments of Dianetics® and Scientology were made by one man—L. Ron Hubbard. There never will be a new source. Our responsibility in this regard was to see that it was kept this way.

The need to keep Scientology pure, not just for the present but for future generations to come, became much more real to many of us when we saw an individual try, in late 1986–early 1987, to take over the subject and set up a hidden data line and indeed appoint himself as source. The hoped-for pattern was the same old one: take over the subject for personal profit and power and to the detriment of all Scientologists. Locating a few others with similar evil purposes and motives, the threat was the denial of Scientology to any who would stand in the way.

You may ask, "How could this happen?" Scientology is an activity that requires the active participation of the individual being processed or trained. And the person has to be clean or indeed, he blocks any chance of case gain for himself. We produce miracles. But they are miracles for the majority, the good and decent. That we can do this is a tribute to the truth and workability of the technology. But the technology is not something that one can force on an individual to "make him good." When an individual engages in enough contra-survival activities, he prevents all possible case gain for himself and is unable

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SOCIAL REFORM

Scientologists also take responsibility for getting ethics in on the rotten spots in society. Many are too intimidated to do anything about the injustices and criminality that are perpetrated by the SPs of this planet. But not Scientologists.

The psychs are terrified of Scientology—they know we don't back down, we never give up, and even worse, we have a technology to help people. This is very worrisome to a group that is funded with over 21 billion dollars of government handouts a year in the United States alone. They have been "researching" the mind and various social conditions for over 40 years with government finances, and aside from the complete unworkability of their technology it is highly unlikely they would even attempt to find a solution—lest they cut their own funding!

Psychiatry began their war when *Dianetics* came on the scene in 1950 and was the first popular book on the mind in history. Since then, they have considered that Dianetics and Scientology have cut across their financial interests. Psychiatrists are convinced man is bad (because they know how many evil purposes they themselves have) and that he is but a body and that is the only life there is (their hope, as they couldn't possibly confront eternity with the crimes they have).

The Citizen's Commission on Human Rights (CCHR) has grown from just 12 chapters to 170 all over the world.

CCHR has exposed the most horrendous crimes of psychiatry all over the world, and has brought the individual criminals to justice and gotten laws enacted to prevent further abuses. In Australia, the largest scandal in history for psychiatry, resulting in a full governmental inquiry into ALL their practices, was directly brought about by CCHR, and widely acknowledged as such.

Did you know that today there are more than ten auditors for every ONE psychiatrist, and the gap keeps growing.

ATTACKS AGAINST SCIENTOLOGY

From time to time in 1991 you may have noticed various attacks occurring against us and wondered what it was all about. In Ron's Journal 34, THE FUTURE OF SCIENTOLOGY, LRH explains exactly why all past attacks, and even these current ones, occur. While circumstances have changed, the principles laid out by LRH remain exactly the same.

Everything you have just read in this issue is what the enemy is so upset about.

To understand this fully you only have to go back to 1986. The IRS and their masters (psychs) and slaves (press) were convinced that Scientology was on its way out. And because we have been going nowhere but up during this time period, they feel we have betrayed them.

Something you probably didn't hear about was a desperate attempt by the IRS to bring down the Church. Using typical IRS tactics of terrorism, lies, infiltration and forgery, they hired a person to attempt to infiltrate the Church, create incriminating documents that would look "just like Church documents," move in once these false documents were placed in the files and take over! Sound bizarre? Well, it occurred. Better yet—we caught them.

But before they were done, the IRS obtained the services of a more than slightly mad reporter, to print a discrediting story on the Church which also listed scores of predictions about the Church's imminent collapse.

Their purpose in doing this was based on their own unpopularity. You may not realize it, but not many people care for the IRS at all, including other governmental agencies. The IRS, worried that others in government would see through their criminal attempt to destroy the Church, wanted a press story to back them up.

Needless to say, the entire plan of the IRS failed and at the end of 1986 this particular operation against the Church and its officials had been defeated.

Now, moving forward to 1991, you may have recently heard the press yapping about us. Guess who the reporter was who wrote the story? Yes—the same one who did the bidding of the IRS in 1986. It seems he also felt betrayed and made to look the world's idiot when all his predictions were proved false and the Church not only didn't collapse, but entered its greatest era of expansion. We also embarked on a program to establish ourselves for the future like never before. We had spread throughout society to the point where one was likely to run into a Scientologist any day of the week, so great were our numbers.

And who do you think were the people complaining about Scientology who this objective reporter quoted? That's right—the same people we threw out when they tried to pervert the Bridge as I mentioned at the beginning of this issue.

It is obvious that despite three decades of ceaseless and illegal attacks, the IRS has never really grasped the fundamental understanding of how dedicated, sincere and persistent Scientologists really are.

But look at the result. We engaged in the largest public information campaign in our history with ten weeks of full-page, four-color ads in *USA Today*—the largest newspaper in the United States. We not only exposed the attack for what it was, the lies and the guilty parties, we also got the message out as to what Scientology really is and who Scientologists really are.

The end result of their attack? Scientology is better known and more respected than ever in history. Public awareness of Scientology increased by well over 500 percent according to surveys. And you should know that the great majority of the public at large recognized the attack for what it was and we even had phone calls coming in from people who were sure that Scientology had something to offer or it wouldn't be attacked by the people who were attacking.

The most recent attack was not the first in our history and probably won't be the last. We do good. We are effective. And as we become more known and more effective, there are those with less than good motives who see us as a threat. But the story is always the same. And if you were to add up a list of all the reporters who have attacked us, you would see that it is a small number of repeating names. One individual who wrote about us in *Reader's Digest* over ten years ago is on the board of the Association for Electroconvulsive Therapy. We first ran across him when he was promoting the virtues of taking a scalpel to the brain. Do you honestly think he would ever write a good article? Would you want such a person saying nice things about you? People would start wondering about who you associate with. And even the reporter of this latest attack has similar problems—having a heavy prenatal psychiatric history.

But in truth, enough is enough and there comes a time in all great movements' histories when they are attacked and must win to survive.

As a Scientologist you have a right to know that the IRS has been the disseminator of false and derogatory information about Scientology across the globe. Indeed, we have found that they have not only been involved in, but have created practically every attack against the Church anywhere in the world over the last decade.

more involvement will make us even stronger. There is no other group which has the technology to set man free. We are the only ones. And we must live up to this responsibility.

Our progress in the last five years is unparalleled in our history. And our plans for the future guarantee the same will be true five years from now.

AMNESTY

In order to acknowledge these accomplishments and give every Scientologist the opportunity to be part of the big push, a *GENERAL AMNESTY* is hereby declared.

An amnesty recognizes triumph, and we certainly have a triumph to celebrate.

Our focus is on what we do here and now as a group and this amnesty makes it possible for the full team to move forward, united with a common purpose.

Any and all acts of whatever character, prior to this date, are freely forgiven. There is an excess of injustice in this world. In times of war, there are some casualties. The individual sometimes gets trampled. Justice can be harsh. We have sought to overcome every attempt to impose injustice in Scientology. It is time to resolve past differences and get on with the job at hand of clearing this planet.

A separate briefing on the administration of this amnesty is being issued to give the exact lines by which one accepts it.

To further assure that any past injustice may be handled, RTC is seeing to the formation of Continental HCO Boards of Review which will be available for anyone who considers they have been subject to an injustice which would place them outside the scope of this amnesty.

There is no room for past upsets or differences. This amnesty is an opportunity to put them behind us and, united in purpose and with clean hands, launch a new era of reach and expansion.

The world will be a much better place because of the individual Scientologist taking responsibility for his or her zone of influence.

The Scientology auditor will make the difference in salvaging current civilization.

Scientologists are the finest, the most ethical beings on this planet.

We have in our hands the only technology to set man free.

We are the future.

Captain David Miscavige
CHAIRMAN OF THE BOARD
RELIGIOUS TECHNOLOGY CENTER

RTC:DM:sc:ej

Dianetics, Scientology, Hubbard, LRH, HCO, ARC Straightwire, Flag, OEC, False Purpose Rundown, Audited NOTs, NOTs, Celebrity Centre, Method One, NED, New Era Dianetics, Purification, Purification Rundown, SHSBC, Solo NOTs, The Bridge, Book One, Clear Certainty Rundown, E-Meter, Freewinds, Mark Super VII, OT, Clearsound, Golden Era Productions, Truth Revealed, Religious Technology Center and the *Religious Technology Center* logo are trademarks and service marks owned by Religious Technology Center. *Scientologist* is a collective membership mark designating members of the affiliated churches and missions of Scientology.
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GERALD ARMSTRONG

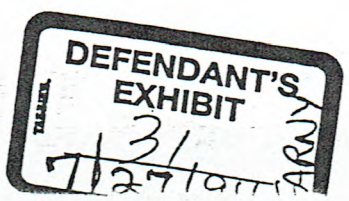
Armstrong is a former clerk for the Church of Scientology of California who, as part of his duties, was entrusted with the care of thousands of pages of personal records belonging to L. Ron Hubbard. In December 1981, Armstrong left the Church and took with him more than 10,000 pages of records belonging to Mr. Hubbard and the Church. This included 5,000 pages of original documents for which no copy was left behind.

As the custodian of confidential Church papers, Armstrong had a fiduciary responsibility not to disclose these documents to individuals outside the Church. In breach of this obligation, Armstrong loaned the documents to one Omar Garrison, an author who at one time had been retained to write a biography of Mr. Hubbard, a project which fell through. Armstrong gave these documents to Garrison not to assist him in writing the biography but to enable Garrison to deliver them to attorneys representing litigants involved in suits against the Church.

In April 1982, Armstrong also made contact with Michael J. Flynn, who was the lead attorney in more than a dozen lawsuits against the Church. Armstrong showed Flynn two private archival documents. Thereafter, from May until August 1982, Armstrong continued to give stolen documents to Flynn for use in Flynn's cases against the Church, even though the litigation did not involve Armstrong. Ultimately, Armstrong gave Flynn thousands of documents, including original and private Navy records and diaries of Mr. Hubbard from the 1940s.

On May 26 and May 27, 1982, the Church wrote to Armstrong demanding return of all the stolen documents, but Armstrong denied having them. Subsequently, however, Armstrong admitted that he indeed had possessed the stolen documents on those dates.

The Church sued Armstrong for the return of the documents. Trial began in the California Superior Court in May 1984. The Court received the testimony of Armstrong and his witnesses, many of whom were clients of attorney Flynn in other actions against the Church. These witnesses for Armstrong were permitted to testify as to Armstrong's purportedly imperiled state of mind. The Court did not permit the Church to present any of its own witnesses to rebut the testimony of hostile witnesses about Armstrong's alleged "state of mind."



Judge Paul G. Breckenridge also heard "evidence" from Armstrong consisting of distortions, half-truths, and outright falsehoods, amounting to a justification defense that Armstrong had stolen the documents to protect himself in the event of "retaliation" by the Church. The result was a negative decision for the Church.

Since the case was heard, Armstrong has adopted a degraded life-style and developed some odd financial ideas. He is the self-proclaimed founder of the "Organization of United Renunciants." In November 1992, the Marin Independent Journal attempted to explain Armstrong's philosophy of life in an article entitled "Is money the root of problems?" The story featured a photograph of an apparently naked Armstrong, eyes closed and smiling, sitting in a lotus position embracing an enormous globe.

According to the article, "Gerald Armstrong has an idea for dealing with the national debt -- write it off. Forget it. It doesn't exist."

"It's that easy.

"The novel prescription for fixing the fiscal fiasco is only part of Armstrong's larger message that money should be abolished ... Armstrong can count only a handful of friends as converts, but he is trying to get the word out. Detailed proposals have gone out to Bill Clinton, Ross Perot and Pete Wilson (no one has tapped him for an economic advisory post just yet). He has also written to the New York Times and other mega-media.

"Ted Koppel has not called."

Armstrong's ideas include "no more pay checks, no more loan payments, no more taxes, and forget that $20 you owed your brother-in-law." **SECTION 1**

Today, Armstrong is hooked up with Cult Awareness Network, which is primarily a referral agency for those who engage in the illegal activity of kidnapping adults for the purpose of forcibly persuading them to abandon their religious beliefs. In November 1992, Armstrong attended CAN's convention in Los Angeles. He has the ear of Priscilla Coates and appears to be on excellent terms with CAN's leadership.

Armstrong Plotted to Take Over Church Assets

Since the trial, the Church has discovered new evidence which was completely unavailable in 1984.

This evidence shows conclusively that Armstrong's "justification" defense was a sham and a fraud. He was not remotely in fear of retaliation by the Church and was actively plotting the Church's downfall.

Armstrong considered the materials he had stolen useful not only as a lever against the Church and Mr. Hubbard in ongoing litigation with Flynn's clients, but he also sought to use the materials in pursuit of his plan to undermine the Church for his own financial benefit.

As part of his plan, Armstrong actively sought out Church staff members who would be willing to "defect" and assist him in discrediting Church leadership. After leaving the Church, he contacted Church member Daniel Sherman to enlist Sherman's aid in attacking the Church. Sherman, without Armstrong's knowledge, consulted Church staff for advice. It was decided that the Church would obtain authorization from the Los Angeles Police Department to make "undercover" videotapes of Armstrong's conversations with Sherman and any other Church dissidents or defectors.

The police authorized the investigation and videotapes, at which point Sherman embarked on an effort to ascertain the full extent of Armstrong's intentions.

Sherman informed Armstrong that a group of staff members who were dissatisfied with Church management might be interested in working with him in his efforts to undermine the Church. This wholly fictitious group was dubbed "the Loyalists."

Sherman enlisted the aid of two other persons, David Kluge and Mike Rinder, who agreed to pose as "Loyalists" and meet with Armstrong. Kluge assumed the code name "Joey," and first met with Armstrong in the late summer of 1984.

Armstrong told "Joey" that part of his plan was to use the auspices of the Internal Revenue Service to attack the Church. Armstrong wanted "Joey" to plant in the Church's files the documents Armstrong would fabricate, so that Armstrong could tell the Criminal Investigation Division (CID) of the Los Angeles IRS office to conduct a raid and find the "incriminating" documents. He reassured "Joey" that he would be able to create the needed documents "with relative ease" since he had done "it for a living."

Armstrong also explained to "Joey" how he intended to go about forging the new documents, based on his experience:

ARMSTRONG: "So it seems to me that the use of the communication lines, I don't know maybe you guys are using them, but it seems to me that you don't have a way of printing anything to get an issue on the lines, used for anything. Right? I'm saying that I can do it. I can type those goddam things and duplicate them and make them look exactly the same. You can't, you would not be able to tell the difference."

Armstrong also made it clear that he had developed a personal program intended to undermine and eventually destroy the Church. His goals were to oust the current management of Scientology, to obtain an advisory position within the restructured Church by becoming a consultant to the "Loyalists" and to plunder the Church for his own financial gain. His program to remove current Church management included the filing of a civil suit, based on evidence that he would manufacture. In a conversation with another co-conspirator, who, unknown to Armstrong, was still faithful to the Church, he insisted that the suit could be launched based on manufactured allegations.

ARMSTRONG: "They can allege it! They can allege it! They don't even have - they can allege it!"

MIKE: "So, they don't have to -- like, they don't have to have the document sitting in front of them, and then. ..."

ARMSTRONG: "I'm f-king saying the organization destroys the documents. ...!"

MIKE: "The point -- the point I'm trying to get across is that that's not criminal. That's the -- that's the civil complaint in there and that would have to be proven."

ARMSTRONG: "Show me the lines you're talking about."

MIKE: "Well, it's over here."

ARMSTRONG: "Where are the -- we don't have to prove a goddam thing. We don't have to prove sh-t. We just have to allege it. **SECTION 2**

At other meetings between Armstrong and his "co-conspirators," Armstrong described in detail his plans for bringing about the collapse of the Church so that he and the other "Loyalists" could move in and take over. Armstrong's goal, as revealed in his own words on videotape, was to overthrow existing Church management and to set up in its place a new set of Church executives who would settle all of the civil damages suits brought

against the Church by the attorneys representing Armstrong. His plans included wresting control of the Church, planting forged incriminating documents in Church files, to be discovered by a government raid, and blackmailing a senior Scientologist executive through attempted sexual entrapment. **SECTION 3**

In sum, Armstrong's plans consisted of:

A) Stealing documents from the Church to serve as models for forgeries. **SECTION 4**

B) Plotting the forgery of false incriminating evidence in Church files. **SECTION 5**

C) Orchestrating a coup in which agents of Armstrong and the U.S. government would take control of the Church of Scientology from its lawful management; **SECTION 6**

D) Suborning perjury in order to keep his conspiracy under cover. **SECTION 7**

Armstrong also worked closely with Michael Flynn and two members of the IRS CID, Al Lipkin and Al Ristuccia. In late summer or early fall of 1984, Armstrong contacted Sherman and explained that he and his IRS contacts had come up with a plan to create false documents and plant these on Church premises, where they would be seized in a CID raid. According to Armstrong the IRS agents wanted the "Loyalists" to plant covert electronic bugs in Church offices. Armstrong offered eavesdropping and special photographic equipment.

Armstrong informed "Joey" that the "Loyalists" would be placed in the federal witness protection program and would receive tax-exempt status in exchange for participating in the covert operation.

Armstrong instructed "Joey" how to lie under oath about their plans to disrupt Church management. Armstrong wanted "Joey," if deposed, to say that he and Armstrong had merely discussed a "global settlement" of Church litigation.

ARMSTRONG: "OK, what are our conversations, should it come down to it?"

"JOEY": "What do you mean?"

ARMSTRONG: "What do we talk about? You're deposed. You walk out there, and there's a PI hands you a paper, saying you're deposed, Jack, and not only that, you're out of the organization. And what do you say in deposition. Well,

Armstrong and I talked about this, and he had a whole bunch of ideas about how to infiltrate the communication lines and spread turmoil and disaster, you know. What are we doing here? That's my question, before I tell you my ideas on documents."

"JOEY": "Well, what I got is basically -- Loyalists gotta -- we gotta move -- we've got the suit coming up and I guess we need other lines to get stuff going. ..."

ARMSTRONG: "OK. So as far as the doc ... Let me just say, ah, you and I get together, we get together because we have a goal of global settlement. You have felt that the turmoil and abuses and so on have gone on too long ... Hence we get together and discuss things. We have not discussed anything about a destruction of the tech, or Scientology is bad, or anything like that. Are we agreed?" **SECTION 8**

During one meeting with "Joey," Armstrong's alleged claim that he "feared" Church retaliation was revealed as a complete falsehood.

"JOEY": "Well you're not hiding!"

ARMSTRONG: "Huh?"

"JOEY": "You're not hiding."

ARMSTRONG: "F-k no! And ..."

"JOEY": "You're not afraid, are you?"

ARMSTRONG: "No! And that's why I'm in a f-king stronger position than they are!"

"JOEY": "How's that?"

ARMSTRONG: "Why, I'll bring them to their knees!"

New evidence of Armstrong's fraudulent intentions was revealed in a declaration of November 18, 1991, in which he admitted that he never intended to stick to the terms of the settlement agreement he signed with the Church in 1986. In his declaration, Armstrong asserted that he had read and understood the settlement agreement, but that he "put on a happy face" and went through the charade of signing it even though he told his lawyers that he never intended to abide by its terms. Armstrong's stated reason for signing the agreement in the full knowledge that he would violate it later is so that he could receive the "financial wherewithal" to "get on with the next phase of [his] life." **SECTION 9**

Armstrong's motives were money and power. This is also shown by a letter to Church attorney Eric Lieberman on June 21, 1991. Armstrong wrote that he had been asked to testify against the Church in a case in South Africa. He laid out specific terms for the settlement of that case. **SECTION 10**

The Church later appealed the Breckenridge judgment and a decision was issued by the Court of Appeal in 1991. The Church had sought to introduce evidence showing Armstrong's attempts to organize a conspiracy to bring it down, but the Appeals Court stated that it could not accept the new evidence because it had not been a part of the trial record. The Court's decision upheld that of the lower court, but stated that Breckenridge's negative comments about the Church were to be taken to indicate Armstrong's state of mind at the time he stole the documents, and not for their truth.

Armstrong's state of mind is illustrated by various "literary" writings authored by him, none of which more clearly demonstrated it than a document now known as the "pig letter," in which Armstrong purported to describe a dream. **SECTION 11**

All the documents Armstrong stole have now been returned to the Church. As mentioned above, Armstrong never intended to abide by the terms of the agreement, which included staying out of other court cases involving the Church. Armstrong meddled in these and tried to prejudice their outcome. So, in 1992, the Church filed a new suit against him for breach of settlement. The Court entered an injunction preventing Armstrong from violating the settlement agreement by assisting anti-Church litigants. **SECTION 12**

During the trial in 1984, Armstrong had made numerous false allegations about L. Ron Hubbard, pretending to the judge that while in the Church, he had thoroughly researched Mr. Hubbard's life. However, Armstrong's incompetence as a researcher is well documented. Ironically, it was Armstrong's <u>lack</u> of research into the various facts and incidents regarding Mr. Hubbard's life that led him to his false claims.

In the court transcripts, Armstrong admitted to his own incompetence as a researcher. While being cross-examined concerning his "research" regarding L. Ron Hubbard's career as an officer in the Navy during World War II, Armstrong stated the following about himself:

1. He was never trained in how to research a

biography.

2. He never searched out and obtained official documents from any agency of the United States government.

3. He was not aware that there was an agency of the United States Navy that kept records of ships.

4. He never attempted to find out what data the Naval Historical Center had on the subchaser 815, the ship under the command of L. Ron Hubbard during World War II.

5. Armstrong concluded that Hubbard was not a Commander of a squadron of Corvettes as he did not do the necessary research to locate the documents in Navy files which established that Hubbard was in command of a squadron of Corvettes (English term for subchaser). Armstrong was not even aware that the initials SC stood for Submarine Chaser.

When questioned during the trial on evidence substantiating Mr. Hubbard's combat record, Armstrong admitted that he merely "went through some books on the subject. But that was it. I never went to D.C. And I obviously never checked the sources that whoever did this research was able to check. So I stand corrected."

SECTION 13

Armstrong also challenged Mr. Hubbard's claim that he (Mr. Hubbard) had been made a blood brother of the Blackfeet Indian tribe. Yet just recently that nation celebrated Mr. Hubbard's 70th anniversary as a blood brother.

A reliable account of Mr. Hubbard's career in the Navy is given by L. Fletcher Prouty, former senior U.S. intelligence officer with the Pentagon.

Mr. Prouty, who joined the Army just a month before Mr. Hubbard joined the Navy, is experienced in reading and understanding military and intelligence records. There is an intelligence process called "sheep dipping," wherein additional or cover files are created which mask the true activities of the intelligence operative. Mr. Prouty's knowledge is based on firsthand experience in creating such files.

His analysis of Mr. Hubbard's files shows that there are at least two and more likely three separate and different files in existence: a "false" file created by the Navy; a personnel file; and a file which contains Mr. Hubbard's true activities as an intelligence officer. It is this last file which appears missing and therefore

there is an incomplete record of Mr. Hubbard's career.

Detailed examples are provided in Mr. Prouty's affidavit. **SECTION 14**

Regarding Mr. Hubbard's medical history, Mr. Prouty points out that Mr. Hubbard's Notice of Separation paper indicates he was awarded the Purple Heart twice. The Purple Heart is awarded only to those wounded in action.

Another document from the U.S. Naval Hospital in Oakland covers Mr. Hubbard's condition following the war:

"Eyesight very poor. ... Lame in right hip from service connected injury. Infection in bone. ... All service connected."

In sum, Mr. Hubbard's past is exactly what he stated it is.

Mr. Hubbard's achievements completely belie Armstrong's allegations. Through hundreds of books and literally thousands of articles and lectures, L. Ron Hubbard communicated and taught the methods which today are used by millions to improve their own lives and the lives of those around them. His career spans more than 50 years during which he produced more than 530 published works which have sold more than 100 million copies in more than two dozen languages. In developing the religious philosophy of Scientology, he delivered and recorded 6,000 lectures. In country after country, he has received wide acclaim for his accomplishments in bettering mankind.

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SECTION 3

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 17 NOVEMBER 1984

(Entered as evidence into the
Christopherson Case on April 1985.)

(Following is a video tape recording transcript made November 17, 1984.)

VIDEO TAPE RECORDED TRANSCRIPT

MR. ARMSTRONG: How are you doing?

MR. RINDER: Very good. How are you?

MR. ARMSTRONG: Not bad.

MR. RINDER: Finally. Documents. Are you going to give that back to me?

MR. ARMSTRONG: If you like.

MR. RINDER: So? Here I am. Now, I guess you are probably going to want a little bit about why me, but the reason that I wanted to meet you is because we are a little concerned at this point about the fact that, you know, stuff being relayed through this relay point and that, you know, there may be some misduplication and that kind of shit -- and I want to get the straight scoop from you. I also -- I brought this draft of the suit. There's some points in there --

(End of first video tape.)

MR. WADE: For the record, 897 begins now.

(Defendants' Exhibit 897 video tape played. Following is a transcript of that recording.)

MR. RINDER: I need it more than you do, I

think. So, here I am. Now, I guess you are probably going to want to know a little bit about why -- why me, but the reason that I wanted to meet you is because we are a little concerned at this point about -- the fact that -- you know, the stuff being relayed through this relay point and that -- you know, there may be some misduplication and that kind of shit, and I want to get the straight scoop from you. I also -- I brought this draft of the suit. There's some points in there -- well, I have a little concern about some of those, about how we are going to handle that; if we were to go ahead and bring that, how it would actually come off. You know, at certain times we really need to -- to get the real scene, you know, what's really going on, so I'm going to -- I have a (inaudible). Joey doesn't have that. So I can then be a more direct relay point, because this has been going on now for some time.

MR. ARMSTRONG: There's a lot of things I would like to work out, which I think would make things go along a lot easier. First of all, the complaint, itself, that's not set in concrete.

MR. RINDER: No, no, I understand that.

MR. ARMSTRONG: And a lot of issues keep

coming up which kind of broadens the whole thing, as far as I'm concerned. The last time I met with Joey it was with the girl, and at that point I was basically given a go ahead to locate an attorney. I don't know if you guys have an attorney, I don't know what the status of that is. However, when, apparently, the money fell through -- well, whatever happened, I did not have the name of the attorneys. And I would be willing to do that, but that's kind of a last thing I was left with.

My understanding is it's sort of up in the air the whole thing. And that's okay. I don't have any compulsion to do any of it. But, you know, in my opinion the organization is in a state of transformation and it has to be altered. It is altering itself. We happen to be in a situation right now where, you know, something good can come out of it. That's philosophically where I stand on it. I don't want to continue on a legal battle against anyone.

MR. RINDER: That's exactly what our position is on that. That is really the common interest that we have with you.

MR. ARMSTRONG: Everyone has -- you know, as an aside, that viewpoint is being assumed on the

why I mentioned in the last note. I hope you guys get these things.

MR. RINDER: That's one of the things that I don't know, that everything that you said is being relayed correctly.

MR. ARMSTRONG: You know, I am only a relay point in this thing. You know, however, I do make it -- you know my purpose to create as much shit as possible. You know, since I have --

MR. RINDER: Shit for the organization?

MR. ARMSTRONG: I do whatever I do; I have no -- I'm not hooked into anything. Anyway, I mention that, you know, there are many PR aspects to it. And the PR things can be so well done that -- you know, Scientologists, because they have had it drilled into them, tend to believe. They are believers.

Anyway, that's why I mentioned get off-policy actions. Anything, any little detail that you can find that the top has done off old accepted policy that they are doing off now, you know, hidden data lines, use of PIs, anything you can find. Then you've got the organization behind you, because they are off policy. Include it in the lawsuit; include it. They are not doing what's best for Scientology, because they are violating the policies. They are operating it autonomously and they are not operating to the best -- for the good of the group.

There is a lot of those things that have to be worked out that make the complaint very strong. You know, no one has any idea if the thing will be pulled off. No one. You can't tell five seconds from now what's going to happen and to have to have a sure thing, well, we can wait until the cows come home.

MR. RINDER: Yeah, I got that point.

MR. ARMSTRONG: It's going to take a Che Guevara, it's going to take some asshole to stand up and say, "Fuck it. Enough of this shit." You know, it's going to take that.

MR. RINDER: They will have to be in a strong enough position prior to that to be able to stand up

and get anybody to hit them. Do you see what I am saying? You know, it's like --

MR. ARMSTRONG: Do you have anyone like that? You know, there's two different positions. You know, there's -- one is the public relations position and one is the organizational position. You may not be in the organizational position, but what kind of position are the people going to be in if a whole shitload of them are indicted? That's not going to have a lot of --

MR. RINDER: That's the thing. That's kind of -- That's how that ties into this, because that would weaken those people who are in those positions right now, that have that authority to call a meeting of old stock and let them all stand up there and say, "Look. There's a bunch of assholes and I'm going to get them."

MR. ARMSTRONG: You guys have the same possibility.

MR. RINDER: Yeah, it's a possibility.

MR. ARMSTRONG: You know, it could just be done. The whole -- You know, if you guys concentrated only on the CSC, on the blue building. Divide the damned thing up and just, you know, the day that the thing happens, you know, the day you

file your complaint, then just call everyone and say to the meeting, "I don't know the positions of the people or if they are in positions of strength, if they are accepted in the organization or --

MR. RINDER: They're not all dishwashers, obviously.

MR. ARMSTRONG: -- you know, somewhere in between. They are obviously not in ASI.

MR. RINDER: Right. That's not the organization anyway.

MR. ARMSTRONG: Right. But not only that, you are going to get people on your side. How about if one of these days -- you know, let's say that at a given hour a whole bunch of people were to pitch up on the doorstep?

MR. RINDER: Where at?

MR. ARMSTRONG: Wherever you wanted them. Suddenly you have got numbers. Suddenly you have got a lot of people crowding into Lebanon Hall to hear lectures, to hear talks, to hear the announcement. Then you may have numbers on your side.

MR. RINDER: Right.

MR. ARMSTRONG: There are a lot of people on the outside. And potentially the whole thing could

MR. ARMSTRONG: Yeah.

MR. RINDER: -- they gotta be -- we've got to check them out and make sure they're factual allegations.

MR. ARMSTRONG: That's what Mike has been saying all along. How much does the organization spend on PIs? How much has the organization paid Ingram?

MR. RINDER: I don't know.

MR. ARMSTRONG: How much have they paid Peterson?

MR. RINDER: I don't know. I don't know how much. I don't know how much --

MR. ARMSTRONG: Are you able to get that kind of information?

MR. RINDER: We may be able to. We may be able to get that. But, see, that gets into this question of then, is that -- is that a suit that is going to win? Is that a suit that's going to get us into a position where we actually come out on top?

MR. ARMSTRONG: You can win.

MR. RINDER: I mean, I don't know what the defense would be to that.

MR. ARMSTRONG: We had to do it because you are being attacked.

MR. RINDER: It's not illegal and not a loss. I see that as being a very -- a very -- it's a gray area and it would depend a lot on the public opinion that is generated surrounding that. You know what I mean?

MR. ARMSTRONG: Well, there is two things in it --

MR. RINDER: It's a legally arguable --

MR. ARMSTRONG: If you get my note which explained that you can proceed, you can make an issue of corporate control without alleging anything.

MR. RINDER: I don't follow that.

MR. ARMSTRONG: Well, there are hundreds of lawsuits. That's generally what lawsuits -- you know, a lot of times a lawsuit has that form, it is simply disagreement over who has control of corporate funds. That is simply the issue there are alleged there was any criminal misconduct or illegal use of the funds or anything.

MR. RINDER: So this is alleging it.

MR. ARMSTRONG: That's right. The reason for that is because with that, if you can get any of those things, then you -- then the Court can act immediately to freeze the accounts.

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 7 NOVEMBER 1984

(Entered as evidence into the
Christopherson Case on 10 April 1985.)

MR. JOEY: Yeah.

MR. ARMSTRONG: To ask the questions at this point before I digest this stuff, it doesn't make any sense to me.

MR. JOEY: Great, now --

MR. ARMSTRONG: But --

MR. JOEY: -- I need to know, like, what your strategy is regarding these type of things and what we are looking at doing.

MR. ARMSTRONG: Well, I got a view, of course, from you, of course, that someone at least considered that I HELP was, you know, their Achilles heel, as it were. So we thought, "Shit, shouldn't I get some I HELP materials?" So hence I asked. Now issues, I wanted to know, number one, how they're run off, what the type face is like. Are these like this? You know --

MR. JOEY: These are the real McCoys.

MR. ARMSTRONG: You see, because I think that during a part of this, we can simply create these. You know, I can create documents with relative ease, you know; I did it for a living.

MR. JOEY: Great. So what kind of stuff are we going to want to create and who's going to get it?

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 7 NOVEMBER 1984

(Entered as evidence into the
Christopherson Case on 10 April 1985.)

(Court reconvened on April 10, 1985 at 9:48 a.m.)

MR. COOLEY: Your Honor, just in the event the Court might consider it worthwhile, I have had enough transcripts of the tapes done to give one to each of the jurors and to the Court and to Counsel.

THE COURT: I don't think the jurors necessarily need one. I think Counsel should have one to go along.

MR. WADE: And copies of the tapes.

THE COURT: The record should also indicate Mr. Gutfeld did deliver five boxes of materials this morning. They are right over there, three of which are marked attorney/client privilege, two are not marked. Pursuant to the order of yesterday, they were delivered this morning.

MR. McMURRY: Thank you, Your Honor. May we have the opportunity to go through the unmarked, unprivileged two, boxes over the noon hour or break?

THE COURT: Let's take that up after we get this started. I was going to do it, but we will talk about that. I want to get going.

MR. COOLEY: Would you like a copy of transcript, Your Honor?

THE COURT: I have only seen them twice.

MR. JOEY: Right.

MR. ARMSTRONG: Right? So you originate policy and in the CSW, put all the relevant information. You retain the CSW and you send up the -- the proposal to the people up top. The people up top are going to do whatever they do -- depends on what you intended when you submitted the issue.

MR. JOEY: So you can affect attorneys and --

MR. ARMSTRONG: You can affect the whole damn thing. You can cause a policy change. For example, regarding the use of PI's, there's a -- Hubbard says in his old issue, "Use our own people; don't use outside people." Well, that's going to hurt. That's going to trap Hubbard, you know. So, in fact, we have to change that policy. And you can put in your CSW the risks that are being run. For example, if it's -- anyway, you can say -- and this is a problem that they run into, the PI's overstep their bounds -- right? -- and they know it.

MR. JOEY: I don't know that. I mean, legally, I never -- it's like, you know, attorneys --

MR. ARMSTRONG: See, again, I can't tell where you people are positioning to know what in the organization. You know where I'm coming from. In

other words, you're not going to have, for lack of any other post, the dishwasher originating issues regarding PI's.

MR. JOEY: I want to give you the really good news. Are you ready for this? You're not talking dishwasher, we're not talking dishwasher.

MR. ARMSTRONG: Operation Long Prong?

MR. JOEY: Two members of the Board of Directors. Closed.

MR. ARMSTRONG: Closed. Holy -- You can do one -- you've got two, two board members? Have they already signed up undated resignations?

MR. JOEY: I'm sure that's standard.

MR. ARMSTRONG: But they can invalidate them. Let me -- Let me make a note of that. Okay? Because I'll ask Mike on that. It's a legal point. Okay.

MR. JOEY: So we got these and we got ideas on how to change them.

MR. ARMSTRONG: They're just a lot of ways I think that you can --

MR. JOEY: Colors and stuff.

MR. ARMSTRONG: Exactly.

MR. JOEY: You know how to do all that. Change them and --

MR. ARMSTRONG: Well, I think that it is possible. I think a lot of things can be done. I don't propose to. I can't go within a mile of the organization, obviously, so I can't be stuffing things into their comm basket.

MR. JOEY: Oh, Yeah. There will be helpers involved. I want to show you this thing. Now, this was from the I HELP --

MR. ARMSTRONG: Yep.

MR. JOEY: -- and got shredded and we put it together.

MR. JOEY: You know who's handwriting that is?

MR. JOEY: No. Anyway (inaudible) channel all money flows, I HELP, thereby, dada, and it's talking about the money and I HELP. But why I keep bringing up the legal thing, there's a thing here, handling something, each country's laws, so it looks like it's going to be run by attorneys. You know what I mean. I don't want to give that up. It's not broad -- you can look at it.

MR. ARMSTRONG: What's the date on it, do you know?

MR. JOEY: It's new. 6 September --

MR. ARMSTRONG: -- '84. So I HELP is a thing

that's going on.

MR. JOEY: The only thing I can give you, it gives you what the initials stand for, something about counseling or something.

MR. ARMSTRONG: Fine. Fine.

MR. JOEY: Don't know whose that is?

MR. ARMSTRONG: Okay. Well, we won't worry about that right now.

MR. JOEY: You want to look at anything on that?

MR. ARMSTRONG: What we may be able to do is paste this down and then photocopy it again. If we could do it real well, we could turn it into a natural rather than a -- you know what I mean? Glue the sucker really well and rephotocopy it -- and hopefully these are never picked up -- and then join the whole thing back together, just sort of crimp it a little bit because the scorching has turned the edges up. Looks real good. I don't understand it all, yet (inaudible). (.

How do your people feel about -- about the organization, like where they're at? Like, do they feel they're going to weather this storm? Like they're getting more powerful? Or that, you know, they're so firmly entrenched that only this plan of

attrition is going to at all move things along?

MR. JOEY: Well, we're looking very seriously at actually filing that suit. And one of the things we want back from Michael is what the timing of that should be, see. We have it working in both directions. (Inaudible.)

Now, I'll give you this whole thing, all I've got here, the pledge. You wanted the pledge; right?

MR. ARMSTRONG: Yeah.

Who are these people? David Miscavage? Vicki Aznaran? Heber Jentsch?

MR. JOEY: Here's a policy letter. I want you to do something with policy letters.

MR. ARMSTRONG: Sure.

MR. JOEY: The whole thing was passed out. That's the name of the group and their address and their magazine. They've all these commendations and things that Hubbard's gotten, certificates, international who's who in lecturing. What do you think about all this?

MR. ARMSTRONG: He's gotta go down in history as the greatest con man of all time. What fraud.

MR. JOEY: What do you want to have happen to him?

MR. ARMSTRONG: To have happen to him, I'd

MR. JOEY: I was looking at all this.

MR. ARMSTRONG: Oh, anyway, just be aware of that possibility. And I think that --

MR. JOEY: That -- that if I went down and talked to him -- I wouldn't go there, first of all --

MR. ARMSTRONG: No, no.

MR. JOEY: Too many Scientologists around.

MR. ARMSTRONG: No, I wouldn't say go there. Call him and make arrangements so that he can talk to you people. That's what makes sense. And it makes sense that --

MR. JOEY: Think he might arrest me?

MR. ARMSTRONG: Him? For what? Oh, no, no.

MR. JOEY: Church of Scientology --

MR. ARMSTRONG: Oh, no, that he --

MR. JOEY: They know where I'm coming from?

MR. ARMSTRONG: Well, you know what would make sense? It would make sense in my opinion to make the contact through me so that he knows that you are part of the people that I've talked about. That makes sense. That would save you any problem in terms of identification because they are leery of entrapment.

MR. JOEY: Great. Great. One of the things

I want to ask, Lyman Spurlock --

MR. ARMSTRONG: Yes.

MR. JOEY: -- and Carol? I told you about Carol?

MR. ARMSTRONG: No.

MR. JOEY: Oh, good looking girl. Got a plan on that.

MR. ARMSTRONG: Oh, is -- is Carol the name of the girl?

MR. JOEY: Yeah.

MR. ARMSTRONG: The name of your girl? Oh, Carol. I -- see, Carol is his wife's name, but they've had such a rocky marriage, it's been like off-and-on divorce as long as I've known the guy since '77, so I just thought he's a possibility. I didn't know Carol, but thanks anyway. No, he told me that a real good looker I thought, God, this is, you know, an absolutely perfect opportunity because I think that -- that -- the way to the man's mind is through his cock. And -- and those people especially. I mean, none of the people in WDC are -- are -- you know, ASI, none of them have, like, a lot of brain power. You know what I mean. They're not intellectual giants. And they definitely had rather, shall we say, Philistine tastes. And, you

know, there are a lot of good looking women with Philistine tastes, if you know what I mean. It's a possibility.

MR. ARMSTRONG: You were going to say something? Did it happen?

MR. JOEY: No. So we say, you know, if he gets set up with her --

MR. ARMSTRONG: You know, if she's a good actress. You know, I was wondering about the E-Meter today. You know, it seems to me that the E-Meter reads if you don't know your story real well. If you've got your stories down, I don't think there will be any problem. And I think she -- I mean, I would like to have the opportunity to sort of (inaudible) some of this off. I just think you guys -- I don't know if it's been tried before, but there's definitely a way to get to the top. That's been known in high political circles for a number of centuries. That could be a lot of fun.

MR. JOEY: What time do you have to leave?

MR. ARMSTRONG: Now.

MR. JOEY: You don't --

MR. ARMSTRONG: What else? Do you have some specific questions?

MR. JOEY: Yeah, a couple of things. You can

MR. ARMSTRONG: The fact that organized -- number one, there is -- you have to say there is a conflict, a disagreement about control of funds. Number two, we are requesting the assets be frozen immediately. And the reason is this, this, this and this. Organization that is supposedly a religious organization, is spending nonprofit funds to destroy someone's reputation. They are paying private investigators millions of dollars to destroy someone's reputation. Fabricated evidence. You can allege that.

I have a lot of faith in Mike Flynn. You know, I really don't know one way or the other whether or not that the Tamimi thing is bullshit. But I have also spoken to the U.S. -- Deputy U.S. Attorney in Boston, and everything I get from anyone is they are going on the basis that it's bullshit and will uncover it sooner or later. They are trying to extradite Tamimi right now.

MR. RINDER: That'll be a real PR coup.

MR. ARMSTRONG: And I'm saying, you guys can allege it. Also, I mentioned to Joey last time, I don't think anyone has to get in a frame of mind where if they don't file this thing two days following the indictments, like they have to take a

SECTION 4

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 9 NOVEMBER 1984

(Entered as evidence into the
Christopherson Case on 10 April 1985.)

MR. ARMSTRONG: No.

MR. JOEY: Great. I got this. This is good.

MR. ARMSTRONG: By the way, I'll never admit that anything comes from Michael, including any complaints which I may have drafted.

MR. JOEY: Why is that?

MR. ARMSTRONG: Because that's how I've got to approach it.

MR. JOEY: Okay.

MR. ARMSTRONG: Did they understand all this?

MR. JOEY: I think so, yes.

MR. ARMSTRONG: Jesus Christ.

MR. JOEY: Oh, I just lost something. I'll get it.

We need a rock, I think. We need a rock to hold on to this.

Got it all. Got it all. Got it all.

MR. ARMSTRONG: When will we see the lady?

MR. JOEY: Oh, in a little bit. Let me finish this up here. I want to go over (Inaudible.) what you went over with Danny yesterday on those doc ideas. I saw Danny real briefly; he handed me this thing and briefly told me he had a little trouble yesterday and he said he went over some doc ideas.

MR. ARMSTRONG: The doc ideas were simply

which issues are put. There's an absolute frontal attack. I mean, I got this issue, the one on me and the other five, and I think it's important, because what happens outside is that all of a sudden these people kind of rally together. So there's ways that stuff that's written can be used. The specifics of it, in a way, you guys would have to work out.

MR. JOEY: So I guess an issue's put together like an assessment, survey.

MR. ARMSTRONG: I tell you what, within the next twenty-four hours I'll give you an idea. I'll write something and we can just toss around how can it be used.

MR. JOEY: That would be great, that'd be great.

MR. ARMSTRONG: And once you've -- here's the way I potentially see it. Let's say that this woman did decide to back this thing and she figured that might as well do something with my life, might as well get off the great rich fence and grovel with the boys for a awhile, and what if she decided and she said, "Well, shit. I'm going to finance some of this."

Well, we could set up a press and we could produce issues and then we could set up a network

and we could communication lines running outside the organization. And you could create a pool of information just as an immediate thing, we get ourselves -- you guys get yourselves an attorney and work out the exact legal things to be done.

Oh, by the way, I spoke to Al Lipkin last night after I was photographed. I went down and saw him because we had talked, and I had told him, "It looks like, just maybe, one or some of these guys are going to want to talk with you." And he was, you know, to some degree, elated, but they never say anything. I told him at that time, I said, "In my opinion, the organization at the top is potentially very fanatic and people could get hurt. If these people that I'm in touch with are brave enough to stick their neck on the line and say, "Enough of the bullshit, okay." So I said, "I'm not saying that this is going to happen. I'm not saying that there's going to be bloodshed, but I think that you guys ought to be aware enough that this is going down or potentially it is, so that you've got some things worked out in advance."

And he's smart enough. He already talks about safe houses and relocating and renaming people. But I said, "Well, I don't know what can be

done." He keeps asking me, "What can be done?" I say, "I don't know." But I think as an initial thing, what makes sense to me is that the people who are going to put their names on that document --

MR. JOEY: The suit?

MR. ARMSTRONG: -- on the suit, see you in advance, because as soon as that happens, they become Federal witnesses and the organization's not going to fuck with them. Or if it does --

MR. JOEY: That's what Al said?

MR. ARMSTRONG: That's what I said. And he said, "That's the best protection that they've got initially." He said, "You know, beyond that, let's just keep in touch on a real close basis."

I called him last night after work because I had some more thoughts, and I called him again this morning, you know. I'm on the phone to the guy real tight, and I don't know, but they're the best the government's got to offer, you know, and if the government of the United States can't take on these little assholes down there, we're really in deep kaka.

MR. JOEY: Got it. Okay. Let's finish on the documents and then get back to Al Lipton. Where were we on that?

SECTION 5

should know that is going on. Now, maybe Jordan's in your pocket; I don't know, I have no idea. But I wanted to pass that on.

MR. JOEY: Jordan's not a loyalist.

MR. ARMSTRONG: He's not?

MR. JOEY: No. I don't know everybody but --

MR. ARMSTRONG: Okay. So far as the doc -- let me just say, you and I get together, we get together because I have a goal of global settlement. You have felt that the turmoil and the abuses and so on have gone on too long; hence we get together and discuss things. We have not discussed anything about a destruction of the tech or that Scientology is bad or anything like that. Are we agreed?

MR. JOEY: Yeah.

MR. ARMSTRONG: There's a radio. That's a state car.

So it seems to my that the use of the communication lines -- I don't know, maybe you guys are using them, but it seems to me that you don't have a way of printing anything to get an issue on the lines, used for anything; right? I'm saying that I can do it. I can type those goddamn things and duplicate them and make them look exactly the same. You can't. You would not be able to tell the

difference. You know, maybe under a microscope you can tell the type of faces, you know, this ones got a little crack on the T and this one doesn't. You'd be able to tell that and they will know. But that happens to be -- that only happens to be one little piece of it. You put out another issue the next day for a totally different purpose. You guys are going to need to put out issues when this thing happens, you got to inform the crew. You should be preparing right now, in my opinion, goddamn affidavits that I can be -- that we can put into a computer and have run off and ready to go. I can write -- I write legal shit; that's why I want to know your best legal mind. I'd like to talk to him. Maybe you're it; I don't know.

MR. JOEY: I'm not it, no.

MR. ARMSTRONG: Okay. But I'd like to, so we're really in sync on this thing. Same as the overall best mind. I have no compulsion to -- you know, I'll talk to them through -- around the corner. I don't have to see anybody. But I really want to know that we are in sync and that we're using all the resources that we can. I don't know what you've got. I'm telling you basically what I've got. One thing I have got is mobility.

SECTION 6

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 17 NOVEMBER 1984

(Entered as evidence into the
Christopherson Case on April 1985.)

guys are concerned. Right? You get a new recruit into the fold. It's a PR campaign.

MR. JOEY: Like these issues and PR campaign are going to disrupt the Church and turn it into management.

MR. ARMSTRONG: Well, those things, I leave that up -- obviously you guys are in a better position. Christ, you know the game far better than I do. If you want to agent provocateurs, you're the artists. You can probably "do what thou wilt" along those lines. I don't think I have to give you any instructions, but I do think that you know we sit at a particular crossroads of history relative to the Organization and, damn it, we should be able to act, I think. You know? And cause our own destiny here, instead of sitting back and waiting for it to happen. The adrenalin rush. But actually, I can do without that shit. Hence, I'm involved. I keep hearing those things all around, man --

MR. JOEY: All right. All right.

MR. ARMSTRONG: You know I'll probably have more questions. I always have a lot of questions later. Oh, the other thing, I don't know if it makes sense to you to sort of divide up the Organization and go after people on that basis.

Just so that you know, shit, we have this group covered. And then divide it up structurally so that you have all the various key points which have to be covered. I think that you guys will be able to take over and then use operating income to continue the battle. And that way you can secure the buildings, take it over, and I think that it's going to take that kind of thing, a lot of people, by the way.

MR. JOEY: Like game plan. Like you want the global settlement, like you say, working together. It'd be like our people running the Church, getting these guys out of the way.

MR. ARMSTRONG: Sooner or later someone's going to have to settle.

MR. JOEY: Yeah.

MR. ARMSTRONG: Like if you guys decide, "Fuck you," just continue on. It really doesn't make any difference. I have my lawsuit and I'm going ahead on that. And that keeps me involved, you know, in addition to everything else I do, and that's going to pay off sooner or later and I'm going to assist wherever I can in bringing this goddamned dog to bay, because I think it's -- there's no fucking way you guys should have to go through searches when you walk in and out of the

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 7 NOVEMBER 1984

(Entered as evidence into the
Christopherson Case on 10 April 1985.)

MR. ARMSTRONG: That's what we need to talk about.

MR. JOEY: Yeah. That's what I want to know. What's the input from Michael on it? How's it going to tie in with what he's doing and what the other people are doing and --

MR. ARMSTRONG: That's what we need to get.

MR. JOEY: -- and what do the agencies want on this?

MR. ARMSTRONG: Okay. Well, the agencies have asked for some specific things; that's all they've asked for. Now --

MR. JOEY: Let me take notes. What have they asked for?

MR. ARMSTRONG: Well, they've asked for specifically, now, some of the things you've already asked for and I've already passed on. The names that they mentioned: Marlowe, Reynolds, Doug Hay -- we talked --

MR. JOEY: Now, who wanted this?

MR. ARMSTRONG: CID.

MR. JOEY: Got it.

MR. ARMSTRONG: Now, do you want a number in CID?

MR. JOEY: Yeah.

MR. ARMSTRONG: Your people should call. Any problems, just call this guy; he's, in my opinion, a pretty straight guy.

MR. JOEY: He knows about the Loyalists, what we're doing, stuff like that?

MR. ARMSTRONG: Yeah. Basically, yeah.

MR. JOEY: What exactly have you told him and what did he say?

MR. ARMSTRONG: I've told him -- well, he feels that -- he keeps saying, "When are these guys going to talk to me? I'll meet under any circumstances."

MR. JOEY: Wow.

MR. ARMSTRONG: He wants to talk. You know, wait a -- let me get -- "Al Lipkin, 213-688-4260. At night" -- (Inaudible.)

This is really great. How far is the track? Is it a long thing?

MR. JOEY: I think -- (inaudible.)

MR. ARMSTRONG: "At night, 688-4151." I believe that's --

MR. JOEY: That's his home?

MR. ARMSTRONG: I don't think so. I believe that's how --

MR. JOEY: This is CID?

MR. ARMSTRONG: Yeah. I believe that's how he can be reached. I'm taking a fuck of a chance doing this; so are you. But there's a lot of --

MR. JOEY: What does he need from me? What does he want? Or is it just backup for what I need?

MR. ARMSTRONG: Well, it ties in -- he would like to get everyone to talk so that they can move, but -- but at the same time, I always say to him, "Listen, your putting us in an uncomfortable situation. If your telling me you haven't got enough to move right now, and I'm giving you the testimony, then I'm a marked man if you guys back off the investigation."

He said -- The reason I do that is not because I'm particularly paranoid but because I'm searching for what's going on in their skull. He assured me the investigation is going forward. "We've got enough; that's the way the government works."

MR. JOEY: Listen, the bottom line here -- I'm not aware of any crime the Church is committing right now. We've looked -- I mean, like, realistically.

MR. ARMSTRONG: How much are they paying PI's? Illegal expenditures. Illegal expenditures.

MR. JOEY: Great. Great. So what agencies know about us and what do they want and --

MR. ARMSTRONG: Justice Department, FBI --

MR. JOEY: You talk to these guys?

MR. ARMSTRONG: Yeah, I do. Yeah.

MR. JOEY: Like who in Justice? Is there a number I can call there?

MR. ARMSTRONG: Richard Greenberg. I gave you that one, I think. He's the guy you should call. I'll give you that number. He's in D.C.

Did the LA FBI case get dismissed?

MR. JOEY: (Inaudible.)

MR. ARMSTRONG: Okay. Uh, 202-633-3368. I gave you one for Tom Doughty, FBI in D.C.

MR. JOEY: What's his name again?

MR. ARMSTRONG: Tom. Thomas D. Doughty, D-o-u-g-h-t-y, 202-324-4532. I gave you CID. There's another guy in CID --

MR. JOEY: Yeah. Al Lipkin.

MR. ARMSTRONG: Al Ristuctia, R-i-s-t-u-c-t-i-a.

MR. JOEY: Is this Al, too?

MR. ARMSTRONG: Albert, yeah. 688-4261. It may be the same as the other one I gave you, I'm not sure. Al Lipkin? No the other one is sixty, okay?

MR. JOEY: Canada.

MR. ARMSTRONG: Oh, in Canada, you know, they have that thing "Project 20." The guy I've talked to a lot is Al Ciampini, 416-965-6138.

MR. JOEY: Who was he with, again?

MR. ARMSTRONG: He's just the Ontario Provincial Police. Michael -- Mike also thinks that the Florida Attorney General is going to bring some charges. The -- you know, the whole freedom thing. Mike got an indication from -- did I give you the name of the guy who's handling that investigation?

MR. JOEY: No.

MR. ARMSTRONG: The Tamimi investigation? Let's see -- Brackett Denniston. His first name is Brackett; last name is Denniston, D-e-n-n-i-s-t-o-n, and he's (617)223-2280. He's the Assistant U.S. Attorney involved in the Tamimi thing. And his last indication to Mike was: it is clear that an attempt to completely ruin someone's name with false information is a crime.

MR. JOEY: Got it. Okay.

MR. ARMSTRONG: So all you have to do is, again, take that viewpoint: "It's a crime," never been proven.

MR. JOEY: So what do these -- what's justice

need from Loyalists, FBI, CID, how --

MR. ARMSTRONG: They'd like to talk to whoever knows about -- I'll tell you who wants to talk to you is CID. CID are the guys. That's the most likely -- absolutely the most likely place in which the whole thing will happen. Canada, you know, they're a little far away; they're going to move first. And perhaps it is an embarrassment to the rest of the U.S. people that the Canadians scooped them on the thing. You know, if everything goes right with the Canadians, they have to move by December 2nd. That's the cutoff date. If they don't by December 2nd, then that's all over, they give back the Toronto docs and --

MR. JOEY: So what do they want from us?

MR. ARMSTRONG: They want to talk to you people. They want -- yeah, there's two things. Number one, you guys should, I think, make plans, at least, in the event that the whole thing is blown, someone breaks or whatever, exactly how to handle it, because, you know, you can simply -- no one needs to be held. Don't go for it. Just walk out the door. And I don't know if they'd be stupid enough to try to fuck you over by holding you; maybe, but I doubt it.

MR. JOEY: We can put the CSW together. We can handle distribution.

MR. ARMSTRONG: That's exactly the sort -- the CSW is the greatest weapon you guys got. You know, the CSW about the situation with the PIs given that someone is in a position that they would be doing such a thing. I think, you know, how about if -- I've got a letter that says that Eugene Ingram works for L. Ron Hubbard, you know. Okay. Okay. Then you say, well, let's say you guys have the information somewhere that Bracket Dennison of the US Attorneys office felt that this whole thing was a setup and then you say, "Well, we can't have that problem. Here's this letter out there saying that he works for Hubbard. We can't endanger the source. We have to act." So thereof, here's my proposal. And just the fact of having that goddamn proposal of some guy standing up and saying, "I've got to defend source," you've got such incriminating information on the CSW. You follow? Even if they responded at all, they're acknowledging that this is -- that's true.

MR. JOEY: So we put a letter together saying that.

MR. ARMSTRONG: I'm saying a CSW, and you

keep your copy of the CSW. They're going to come around hunting. "Where the fuck is it? Ah shit, got rid of it all." Except you've made it off the property and you've got it somewhere. Type it off the property and bring it in. Never there's no problem bringing stuff in. Right? You could bring stuff in and maybe you can't sit at your desk and type it; I don't know. I don't know the demographics and the geographics and anything else in the place, but it seems to me that it's a much more high-security deal than it was. Am I right?

MR. JOEY: Yeah, a little difficult. Just in getting things typed -- typing, your sitting typing and typing things out --

MR. ARMSTRONG: Exactly.

MR. JOEY: -- and someone walks in, "What's happening here?" What are you going to say?

MR. ARMSTRONG: But just maybe that sort of stuff can be done: issues could be created, stuff can go in. But I mean I'm not really saying create incrimination evidence of which there are no facts, you know, but just to write about the speculation. I mean, did you know that, that Ingram was retained by Lenske, Heller and Magnesson on behalf of Hubbard?

MR. JOEY: I know that the attorneys hire and pay and run the PIs.

MR. ARMSTRONG: Right. And isn't that off policy?

MR. JOEY: You gave me this thing here, yeah.

MR. ARMSTRONG: Yeah, that's a goddamned policy quote.

MR. JOEY: You see, but that's the whole thing where, you know, the PIs are run by the attorneys, paid for, so the attorneys are running them, you know, so how can you put out an issue saying, you know, fire the PIs, because it's the attorneys doing it -- the attorneys aren't going to pay any attention to the issue, you know what I mean? That --

MR. ARMSTRONG: I know. I know. But you've got to simply say, "Oh, fuck." This is off policy now. We've got to get on source, and source, that's the problem. You know you can. What are they going to do? Oh, no, you're off source for saying that you're on source -- I don't know -- I mean, it could be to that degree that they have such utter disregard for policy now that anyone who says this is off policy is just laughed at. Maybe that's the way it is. Policy-fuck. "We're the policy,

asshole." Maybe they're that arrogant that they don't give a fiddler's fuck about source and all his tech, I don't know. I don't know what the situation is inside, you see.

You guys obviously have your hands on that pulse a lot closer than I do. I only see that potentially there's a tremendous use to which that -- which the communication lines could be put.

Anyway, let's continue on. I don't know if I've left you with -- I tell you -- within a day, I'll draft something.

MR. JOEY: See if you can draft something and we'll go over it again.

MR. ARMSTRONG: Good. All right. But there is the one thing which I think in advance of -- you know, within a day, just divide up the group so -- the organization, so let's say you've got thirty-five, let's say that in the particular organization that they're -- that they could possibly contact are five hundred staff. I don't know how many staff there are. A thousand? How many staff?

MR. JOEY: More than a thousand.

MR. ARMSTRONG: So they divide it up and you say, "Well, I can get this guy, this guy, this guy,

and this guy, and it seems logical -- I'm working in LA Org, so therefore I'm going to go to LA Org staff, I'm not going to approach ASI people. Whereas, you don't want to anyway, because obviously they're not the ones you want to survey. But you want to survey at some levels down below in the organization. And that is simply a means of surveying without anyone -- in other words, the issue is the source of it and they can never tell where the issue came from.

MR. JOEY: Got to go with the PI thing, too?

MR. ARMSTRONG: Well, the PI is another -- yeah, I think that something should be done so that they can capitalize on getting stuff, number one, into writing; and number two, possibly unstablizing the whole PI/attorney apparatus. I passed onto Lipkin yesterday to go after Peterson, should go after him with fucking tooth and nails, because Peterson's probably been paid millions of dollars.

Oh, listen, let me give you names. Ah shit, I don't know if I brought them. Can you guys get amounts of money to PIs?

MR. JOEY: That stuff --

MR. ARMSTRONG: Can you get amounts of money to Peterson?

pledges and with that kind of -- that's pretty scary literature. It's fucking -- when you get these guys pledged without thought for personal comfort or safety, for fuck's sake, they're saying, "I'm going to go and I'm taking you with me, Jack." I mean that was a fanatic document. I gave that to the Feds already and I'm giving them the other --

MR. JOEY: What did they say? They thought it was fanatic, too?

MR. ARMSTRONG: Yeah, they thought it was fanatic. And -- but they can't do anything, but they are aware. They are aware. I drop the name Jonestown and they say, "Yeah, we don't want that." They don't say, "Oh, no, it will never happen." You know what I mean? It takes different forms. These guys are too sophisticated to try suicide as the resolution to their problems, I think, but they're not too sophisticated to try and take out some people.

That's what I think, anyway. All right.

MR. JOEY: Did you have anything else for me?

MR. ARMSTRONG: No, I think you've got it. The only other thing was, I've spoken to Al Lipkin. He wants to meet as soon as possible. You guys know my note from yesterday. That's what Mike said. The

next thing is, I'm trying to --

MR. JOEY: Which note?

MR. ARMSTRONG: The two notes there. One has a bunch of questions. These are my -- what is it you call it? -- a shopping list.

MR. JOEY: Right. Your questions are on the back.

MR. ARMSTRONG: My questions are at the back, yeah.

MR. JOEY: How much pay to Ingram? By whom? What corps and individuals? When each payment made? How much for all other PIs prior to DM takeover? And following the specifications on this stuff.

MR. ARMSTRONG: Right.

MR. JOEY: You know, once again, this is in attorney's offices and -- maybe they can find out how much is paid to the attorneys.

MR. ARMSTRONG: That's how -- that's how I analyze it. The money flow is traceable. If they tell me -- if they can say this much is -- I tell you what, you should find out all payments made that went to attorneys, because I have people who can trace those bank accounts and see where the disbursements went from those accounts. You following me? And whether or not there is the

Just so that you know, shit, we have this group covered. And then divide it up structurally so that you have all the various key points which have to be covered. I think that you guys will be able to take over and then use operating income to continue the battle. And that way you can secure the buildings, take it over, and I think that it's going to take that kind of thing, a lot of people, by the way.

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SECTION 7

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 30 NOVEMBER 1984

(Entered as evidence into the
Christopherson Case on April 1985.)

MR. WADE: We'll go to the November 30th tape now, Exhibit 898.

(Following is video tape of November 30th played to the jury.)

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MR. RINDER: How are you doing? I don't have much time either.

MR. ARMSTRONG: That's okay. Shoot. How are things going?

MR. RINDER: Pretty good. I have some questions to take back to the guys because we are, like, wanting to roll now.

MR. RINDER: Good. In moving on, the first thing I want to ask you, did you tell Samuels and (inaudible) about us?

MR. ARMSTRONG: No.

MR. RINDER: You didn't say anything to them about us? You mentioned to me last time you talked to him. We are concerned this is being -- you know, too many people.

MR. ARMSTRONG: I don't think there's of (inaudible) right now. (Inaudible) called me and said he heard that -- that I might know something about a takeover. And I said, "I know absolutely nothing." I said, "However, I think it behooves

each of us on the outside to realize that there has to be a transition of some things, and that sooner or later there's going to be a shift and we all should be thinking how indeed that should be happening and what it should be like afterwards, and that each one of us should be creating that." So I said, "I have no specific knowledge, I have none whatsoever. However, something has to happen."

So I let them know that, yeah, they can always talk to me, and that -- (inaudible) particular positions outside the organization, obviously every I time talk to those guys, you know, there's an exchange of information. But they know nothing that I could be doing about you guys. They contacted me -- (inaudible). Not by me but -- you know, you guys can't keep the lid on very much longer.

MR. RINDER: (Inaudible.)

MR. ARMSTRONG: Her own sister told at least three maybe four, maybe more people.

MR. RINDER: Right.

MR. ARMSTRONG: Okay?

MR. RINDER: We know about that.

MR. ARMSTRONG: I don't know. It's obvious that -- that's the only leak that I know of, of any

significance.

MR. RINDER: (Inaudible.)

MR. ARMSTRONG: (Inaudible) -- Joey contacted me to get information, and I said, "Listen, (inaudible) -- You know, I'm glad you contacted me because I consider you guys part of the network. And frankly, you both ought to be thinking, you know, status quo can't exist. What are we going to do? Everyone that I talked to led us along that direction. But as far as names, no one ever at any time will ever get a name out of me.

MR. RINDER: Right. Exactly.

MR. ARMSTRONG: You know, probably a lot of people know. Probably -- I would say that the Scientology world is so bored, and they're so (inaudible) and frightened of this (inaudible) shit anyway -- you know --

MR. RINDER: Yeah. But we just want to make sure that you are not passing around to anybody unnecessarily or doing anything that would damage our security.

MR. ARMSTRONG: In each case like Dave Jordan. Dave Jordan (inaudible) and that's fine. Dave Jordan heard a rumor that Dan might be a revelation to the organization.

MR. RINDER: Like, this is a little different from circumstances. Like if we allege that -- right? -- then we are not on the same position like where you were when you had a whole trial. You were like -- you know -- (inaudible) The position that you were in was -- you know, the Church is not believable to anybody. It's like, you know, it's got a bad reputation. That puts you in a position where the burden of truth (inaudible). We are not in that position because we are the Church.

MR. ARMSTRONG: You are the Church, but you guys are dedicated to the cleaning up of the Church (inaudible) guys who have control, should not have control. You are the Church and you should have control. And they abused (inaudible) -- illegally, because -- because simply, they should not do that. It all has to do with a crumby piece of money. Nobody gives a fuck about (inaudible) or whether or not the money is being used correctly, and whether or not the people who are, in fact, in control are doing it legitimately.

MR. RINDER: Yeah, but see, the thing is, what our advice is, is that in order to make the injunction -- a hearing for preliminary injunction stick, there's got to be some, like, criminal stuff.

That we gotta be (inaudible) --

MR. ARMSTRONG: How do you propose to render that? I can't. I told you what I can do.

MR. RINDER: What I was really asking you is -- Someone obviously put this together, whoever that may be. Someone put it together and it would appear that someone had data. We aren't able to find that data. We have found stuff that shows that, you know, what the Church has, but they're not true. Do you have something? Do you have something that we don't have that we could use to support those things?

MR. ARMSTRONG: Well, I told you, you could use Schomer. You could use the fact -- You could use the fact of anyone that you know of being locked up. It's illegal.

MR. RINDER: (Inaudible) That's the problem.

MR. ARMSTRONG: I was locked up.

MR. RINDER: Have you got an affidavit on that?

MR. ARMSTRONG: I have got a fucking ton of affidavits. I don't know where your guys' access is in the organization. I don't know.

MR. RINDER: Well, we can get a lot of shit. We've been working on this for, like, a couple of

(inaudible) patently on its face illegal.

MR. RINDER: We are talking about -- Illegal? It isn't illegal. We have already checked that. It's not illegal to do that. That's the complaint that we are bringing. That's not a criminal matter. It's not -- That's not a crime.

MR. ARMSTRONG: Let's put it this way. There could be people going to jail over it.

MR. RINDER: I know that --

MR. ARMSTRONG: It's a civil lawsuit.

MR. RINDER: Yeah. But that's what -- It's a civil lawsuit, that's true.

MR. ARMSTRONG: Well, all you have to allege is that, number one, (inaudible) how much was spent by the organization at the orders of these people.

MR. RINDER: It's alleging things -- It alleges things.

MR. ARMSTRONG: That's fine.

MR. RINDER: That's going to take the whole trial, just like -- You know, I'm talking about the concern of a preliminary injunction. Alleging things is fine and alleging things we (inaudible) in certain cases is --

MR. ARMSTRONG: If you did, have them act immediately. That's all you have to do.

MR. RINDER: What is?

MR. ARMSTRONG: Is to say it. That's all that needs to be said.

MR. RINDER: We have a hearing and then we have a hearing for the preliminary injunction, that's like --

MR. ARMSTRONG: You have a lot of things going for you. If you follow on the tail of all these people being indicted at the top of the organization and the fact that all -

MR. RINDER: Yeah, but wait a minute. What's going to happen?

MR. ARMSTRONG: Hold on, hold on. Listen, we either are going ahead or we are not. Okay? I don't quite know what you are asking me, because I don't have the information on those three things.

MR. RINDER: Okay. That's what I was asking you, if you had something else you could get for us on those that would give us a stronger position.

MR. ARMSTRONG: That's what I'm telling you. If I were to get the affidavits on the outside from Schomer and from -- and from Nelson -- I don't know if Nelson will even talk to me, but I'll give it a try. And beyond that, I want to talk to the attorney. There is no one around, aside from

guys are concerned. Right? You get a new recruit into the fold. It's a PR campaign.

MR. JOEY: Like these issues and PR campaign are going to disrupt the Church and turn it into management.

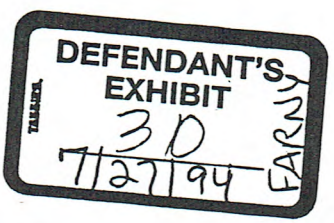
MR. ARMSTRONG: Well, those things, I leave that up -- obviously you guys are in a better position. Christ, you know the game far better than I do. If you want to agent provocateurs, you're the artists. You can probably "do what thou wilt" along those lines. I don't think I have to give you any instructions, but I do think that you know we sit at a particular crossroads of history relative to the Organization and, damn it, we should be able to act, I think. You know? And cause our own destiny here, instead of sitting back and waiting for it to happen. The adrenalin rush. But actually, I can do without that shit. Hence, I'm involved. I keep hearing those things all around, man --

MR. JOEY: All right. All right.

MR. ARMSTRONG: You know I'll probably have more questions. I always have a lot of questions later. Oh, the other thing, I don't know if it makes sense to you to sort of divide up the Organization and go after people on that basis.

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This evidence shows conclusively that Armstrong's "justification" defense was a sham and a fraud. He was not remotely in fear of retaliation by the Church and was actively plotting the Church's downfall.

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against the Church by the attorneys representing Armstrong. His plans included wresting control of the Church, planting forged incriminating documents in Church files, to be discovered by a government raid, and blackmailing a senior Scientologist executive through attempted sexual entrapment. **SECTION 3**

In sum, Armstrong's plans consisted of:

A) Stealing documents from the Church to serve as models for forgeries. **SECTION 4**

B) Plotting the forgery of false incriminating evidence in Church files. **SECTION 5**

C) Orchestrating a coup in which agents of Armstrong and the U.S. government would take control of the Church of Scientology from its lawful management; **SECTION 6**

D) Suborning perjury in order to keep his conspiracy under cover. **SECTION 7**

Armstrong also worked closely with Michael Flynn and two members of the IRS CID, Al Lipkin and Al Ristuccia. In late summer or early fall of 1984, Armstrong contacted Sherman and explained that he and his IRS contacts had come up with a plan to create false documents and plant these on Church premises, where they would be seized in a CID raid. According to Armstrong the IRS agents wanted the "Loyalists" to plant covert electronic bugs in Church offices. Armstrong offered eavesdropping and special photographic equipment.

Armstrong informed "Joey" that the "Loyalists" would be placed in the federal witness protection program and would receive tax-exempt status in exchange for participating in the covert operation.

Armstrong instructed "Joey" how to lie under oath about their plans to disrupt Church management. Armstrong wanted "Joey," if deposed, to say that he and Armstrong had merely discussed a "global settlement" of Church litigation.

ARMSTRONG: "OK, what are our conversations, should it come down to it?"

"JOEY": "What do you mean?"

ARMSTRONG: "What do we talk about? You're deposed. You walk out there, and there's a PI hands you a paper, saying you're deposed, Jack, and not only that, you're out of the organization. And what do you say in deposition. Well,

Armstrong and I talked about this, and he had a whole bunch of ideas about how to infiltrate the communication lines and spread turmoil and disaster, you know. What are we doing here? That's my question, before I tell you my ideas on documents."

"JOEY": "Well, what I got is basically -- Loyalists gotta -- we gotta move -- we've got the suit coming up and I guess we need other lines to get stuff going. ..."

ARMSTRONG: "OK. So as far as the doc ... Let me just say, ah, you and I get together, we get together because we have a goal of global settlement. You have felt that the turmoil and abuses and so on have gone on too long ... Hence we get together and discuss things. We have not discussed anything about a destruction of the tech, or Scientology is bad, or anything like that. Are we agreed?" **SECTION 8**

During one meeting with "Joey," Armstrong's alleged claim that he "feared" Church retaliation was revealed as a complete falsehood.

"JOEY": "Well you're not hiding!"

ARMSTRONG: "Huh?"

"JOEY": "You're not hiding."

ARMSTRONG: "F-k no! And ..."

"JOEY": "You're not afraid, are you?"

ARMSTRONG: "No! And that's why I'm in a f-king stronger position than they are!"

"JOEY": "How's that?"

ARMSTRONG: "Why, I'll bring them to their knees!"

New evidence of Armstrong's fraudulent intentions was revealed in a declaration of November 18, 1991, in which he admitted that he never intended to stick to the terms of the settlement agreement he signed with the Church in 1986. In his declaration, Armstrong asserted that he had read and understood the settlement agreement, but that he "put on a happy face" and went through the charade of signing it even though he told his lawyers that he never intended to abide by its terms. Armstrong's stated reason for signing the agreement in the full knowledge that he would violate it later is so that he could receive the "financial wherewithal" to "get on with the next phase of [his] life." **SECTION 9**

Armstrong's motives were money and power. This is also shown by a letter to Church attorney Eric Lieberman on June 21, 1991. Armstrong wrote that he had been asked to testify against the Church in a case in South Africa. He laid out specific terms for the settlement of that case. **SECTION 10**

The Church later appealed the Breckenridge judgment and a decision was issued by the Court of Appeal in 1991. The Church had sought to introduce evidence showing Armstrong's attempts to organize a conspiracy to bring it down, but the Appeals Court stated that it could not accept the new evidence because it had not been a part of the trial record. The Court's decision upheld that of the lower court, but stated that Breckenridge's negative comments about the Church were to be taken to indicate Armstrong's state of mind at the time he stole the documents, and not for their truth.

Armstrong's state of mind is illustrated by various "literary" writings authored by him, none of which more clearly demonstrated it than a document now known as the "pig letter," in which Armstrong purported to describe a dream. **SECTION 11**

All the documents Armstrong stole have now been returned to the Church. As mentioned above, Armstrong never intended to abide by the terms of the agreement, which included staying out of other court cases involving the Church. Armstrong meddled in these and tried to prejudice their outcome. So, in 1992, the Church filed a new suit against him for breach of settlement. The Court entered an injunction preventing Armstrong from violating the settlement agreement by assisting anti-Church litigants. **SECTION 12**

During the trial in 1984, Armstrong had made numerous false allegations about L. Ron Hubbard, pretending to the judge that while in the Church, he had thoroughly researched Mr. Hubbard's life. However, Armstrong's incompetence as a researcher is well documented. Ironically, it was Armstrong's <u>lack</u> of research into the various facts and incidents regarding Mr. Hubbard's life that led him to his false claims.

In the court transcripts, Armstrong admitted to his own incompetence as a researcher. While being cross-examined concerning his "research" regarding L. Ron Hubbard's career as an officer in the Navy during World War II, Armstrong stated the following about himself:

1. He was never trained in how to research a

biography.

2. He never searched out and obtained official documents from any agency of the United States government.

3. He was not aware that there was an agency of the United States Navy that kept records of ships.

4. He never attempted to find out what data the Naval Historical Center had on the subchaser 815, the ship under the command of L. Ron Hubbard during World War II.

5. Armstrong concluded that Hubbard was not a Commander of a squadron of Corvettes as he did not do the necessary research to locate the documents in Navy files which established that Hubbard was in command of a squadron of Corvettes (English term for subchaser). Armstrong was not even aware that the initials SC stood for Submarine Chaser.

When questioned during the trial on evidence substantiating Mr. Hubbard's combat record, Armstrong admitted that he merely "went through some books on the subject. But that was it. I never went to D.C. And I obviously never checked the sources that whoever did this research was able to check. So I stand corrected."

SECTION 13

Armstrong also challenged Mr. Hubbard's claim that he (Mr. Hubbard) had been made a blood brother of the Blackfeet Indian tribe. Yet just recently that nation celebrated Mr. Hubbard's 70th anniversary as a blood brother.

A reliable account of Mr. Hubbard's career in the Navy is given by L. Fletcher Prouty, former senior U.S. intelligence officer with the Pentagon.

Mr. Prouty, who joined the Army just a month before Mr. Hubbard joined the Navy, is experienced in reading and understanding military and intelligence records. There is an intelligence process called "sheep dipping," wherein additional or cover files are created which mask the true activities of the intelligence operative. Mr. Prouty's knowledge is based on firsthand experience in creating such files.

His analysis of Mr. Hubbard's files shows that there are at least two and more likely three separate and different files in existence: a "false" file created by the Navy; a personnel file; and a file which contains Mr. Hubbard's true activities as an intelligence officer. It is this last file which appears missing and therefore

there is an incomplete record of Mr. Hubbard's career.

Detailed examples are provided in Mr. Prouty's affidavit. **SECTION 14**

Regarding Mr. Hubbard's medical history, Mr. Prouty points out that Mr. Hubbard's Notice of Separation paper indicates he was awarded the Purple Heart twice. The Purple Heart is awarded only to those wounded in action.

Another document from the U.S. Naval Hospital in Oakland covers Mr. Hubbard's condition following the war:

"Eyesight very poor. ... Lame in right hip from service connected injury. Infection in bone. ... All service connected."

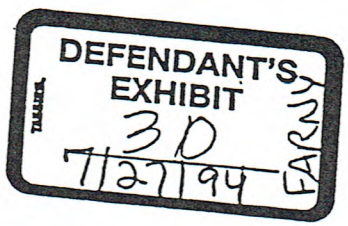
In sum, Mr. Hubbard's past is exactly what he stated it is.

Mr. Hubbard's achievements completely belie Armstrong's allegations. Through hundreds of books and literally thousands of articles and lectures, L. Ron Hubbard communicated and taught the methods which today are used by millions to improve their own lives and the lives of those around them. His career spans more than 50 years during which he produced more than 530 published works which have sold more than 100 million copies in more than two dozen languages. In developing the religious philosophy of Scientology, he delivered and recorded 6,000 lectures. In country after country, he has received wide acclaim for his accomplishments in bettering mankind.

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B) Plotting the forgery of false incriminating evidence in Church files. **SECTION 5**

C) Orchestrating a coup in which agents of Armstrong and the U.S. government would take control of the Church of Scientology from its lawful management; **SECTION 6**

D) Suborning perjury in order to keep his conspiracy under cover. **SECTION 7**

Armstrong also worked closely with Michael Flynn and two members of the IRS CID, Al Lipkin and Al Ristuccia. In late summer or early fall of 1984, Armstrong contacted Sherman and explained that he and his IRS contacts had come up with a plan to create false documents and plant these on Church premises, where they would be seized in a CID raid. According to Armstrong the IRS agents wanted the "Loyalists" to plant covert electronic bugs in Church offices. Armstrong offered eavesdropping and special photographic equipment.

Armstrong informed "Joey" that the "Loyalists" would be placed in the federal witness protection program and would receive tax-exempt status in exchange for participating in the covert operation.

Armstrong instructed "Joey" how to lie under oath about their plans to disrupt Church management. Armstrong wanted "Joey," if deposed, to say that he and Armstrong had merely discussed a "global settlement" of Church litigation.

ARMSTRONG: "OK, what are our conversations, should it come down to it?"

"JOEY": "What do you mean?"

ARMSTRONG: "What do we talk about? You're deposed. You walk out there, and there's a PI hands you a paper, saying you're deposed, Jack, and not only that, you're out of the organization. And what do you say in deposition. Well,

Armstrong and I talked about this, and he had a whole bunch of ideas about how to infiltrate the communication lines and spread turmoil and disaster, you know. What are we doing here? That's my question, before I tell you my ideas on documents."

"JOEY": "Well, what I got is basically -- Loyalists gotta -- we gotta move -- we've got the suit coming up and I guess we need other lines to get stuff going. ..."

ARMSTRONG: "OK. So as far as the doc ... Let me just say, ah, you and I get together, we get together because we have a goal of global settlement. You have felt that the turmoil and abuses and so on have gone on too long ... Hence we get together and discuss things. We have not discussed anything about a destruction of the tech, or Scientology is bad, or anything like that. Are we agreed?" **SECTION 8**

During one meeting with "Joey," Armstrong's alleged claim that he "feared" Church retaliation was revealed as a complete falsehood.

"JOEY": "Well you're not hiding!"

ARMSTRONG: "Huh?"

"JOEY": "You're not hiding."

ARMSTRONG: "F-k no! And ..."

"JOEY": "You're not afraid, are you?"

ARMSTRONG: "No! And that's why I'm in a f-king stronger position than they are!"

"JOEY": "How's that?"

ARMSTRONG: "Why, I'll bring them to their knees!"

New evidence of Armstrong's fraudulent intentions was revealed in a declaration of November 18, 1991, in which he admitted that he never intended to stick to the terms of the settlement agreement he signed with the Church in 1986. In his declaration, Armstrong asserted that he had read and understood the settlement agreement, but that he "put on a happy face" and went through the charade of signing it even though he told his lawyers that he never intended to abide by its terms. Armstrong's stated reason for signing the agreement in the full knowledge that he would violate it later is so that he could receive the "financial wherewithal" to "get on with the next phase of [his] life." **SECTION 9**

Armstrong's motives were money and power. This is also shown by a letter to Church attorney Eric Lieberman on June 21, 1991. Armstrong wrote that he had been asked to testify against the Church in a case in South Africa. He laid out specific terms for the settlement of that case. **SECTION 10**

The Church later appealed the Breckenridge judgment and a decision was issued by the Court of Appeal in 1991. The Church had sought to introduce evidence showing Armstrong's attempts to organize a conspiracy to bring it down, but the Appeals Court stated that it could not accept the new evidence because it had not been a part of the trial record. The Court's decision upheld that of the lower court, but stated that Breckenridge's negative comments about the Church were to be taken to indicate Armstrong's state of mind at the time he stole the documents, and not for their truth.

Armstrong's state of mind is illustrated by various "literary" writings authored by him, none of which more clearly demonstrated it than a document now known as the "pig letter," in which Armstrong purported to describe a dream. **SECTION 11**

All the documents Armstrong stole have now been returned to the Church. As mentioned above, Armstrong never intended to abide by the terms of the agreement, which included staying out of other court cases involving the Church. Armstrong meddled in these and tried to prejudice their outcome. So, in 1992, the Church filed a new suit against him for breach of settlement. The Court entered an injunction preventing Armstrong from violating the settlement agreement by assisting anti-Church litigants. **SECTION 12**

During the trial in 1984, Armstrong had made numerous false allegations about L. Ron Hubbard, pretending to the judge that while in the Church, he had thoroughly researched Mr. Hubbard's life. However, Armstrong's incompetence as a researcher is well documented. Ironically, it was Armstrong's lack of research into the various facts and incidents regarding Mr. Hubbard's life that led him to his false claims.

In the court transcripts, Armstrong admitted to his own incompetence as a researcher. While being cross-examined concerning his "research" regarding L. Ron Hubbard's career as an officer in the Navy during World War II, Armstrong stated the following about himself:

1. He was never trained in how to research a

biography.

2. He never searched out and obtained official documents from any agency of the United States government.

3. He was not aware that there was an agency of the United States Navy that kept records of ships.

4. He never attempted to find out what data the Naval Historical Center had on the subchaser 815, the ship under the command of L. Ron Hubbard during World War II.

5. Armstrong concluded that Hubbard was not a Commander of a squadron of Corvettes as he did not do the necessary research to locate the documents in Navy files which established that Hubbard was in command of a squadron of Corvettes (English term for subchaser). Armstrong was not even aware that the initials SC stood for Submarine Chaser.

When questioned during the trial on evidence substantiating Mr. Hubbard's combat record, Armstrong admitted that he merely "went through some books on the subject. But that was it. I never went to D.C. And I obviously never checked the sources that whoever did this research was able to check. So I stand corrected."

SECTION 13

Armstrong also challenged Mr. Hubbard's claim that he (Mr. Hubbard) had been made a blood brother of the Blackfeet Indian tribe. Yet just recently that nation celebrated Mr. Hubbard's 70th anniversary as a blood brother.

A reliable account of Mr. Hubbard's career in the Navy is given by L. Fletcher Prouty, former senior U.S. intelligence officer with the Pentagon.

Mr. Prouty, who joined the Army just a month before Mr. Hubbard joined the Navy, is experienced in reading and understanding military and intelligence records. There is an intelligence process called "sheep dipping," wherein additional or cover files are created which mask the true activities of the intelligence operative. Mr. Prouty's knowledge is based on firsthand experience in creating such files.

His analysis of Mr. Hubbard's files shows that there are at least two and more likely three separate and different files in existence: a "false" file created by the Navy; a personnel file; and a file which contains Mr. Hubbard's true activities as an intelligence officer. It is this last file which appears missing and therefore

there is an incomplete record of Mr. Hubbard's career.

Detailed examples are provided in Mr. Prouty's affidavit. SECTION 14

Regarding Mr. Hubbard's medical history, Mr. Prouty points out that Mr. Hubbard's Notice of Separation paper indicates he was awarded the Purple Heart twice. The Purple Heart is awarded only to those wounded in action.

Another document from the U.S. Naval Hospital in Oakland covers Mr. Hubbard's condition following the war:

"Eyesight very poor. ... Lame in right hip from service connected injury. Infection in bone. ... All service connected."

In sum, Mr. Hubbard's past is exactly what he stated it is.

Mr. Hubbard's achievements completely belie Armstrong's allegations. Through hundreds of books and literally thousands of articles and lectures, L. Ron Hubbard communicated and taught the methods which today are used by millions to improve their own lives and the lives of those around them. His career spans more than 50 years during which he produced more than 530 published works which have sold more than 100 million copies in more than two dozen languages. In developing the religious philosophy of Scientology, he delivered and recorded 6,000 lectures. In country after country, he has received wide acclaim for his accomplishments in bettering mankind.

oOo

EXHIBIT 29 7/29/94 Farny

August 4, 1991

GERALD ARMSTRONG

Gerry Armstrong is a former archivist for the Church of Scientology of California who, as part of his duties, was entrusted with the care of thousands of pages of personal records belonging to L. Ron Hubbard. In December 1981, Armstrong left the Church, and took with him over 10,000 pages of records belonging to Mr. Hubbard, Mrs. Hubbard and the Church, including over 5,000 pages of original documents for which no copy was left behind. Armstrong then turned those documents over to attorneys representing plaintiffs suing the Church and the Hubbards in spurious civil damages actions. The Church and Mrs. Hubbard filed suit in August 1982 to obtain the return of the stolen documents, and Armstrong was required to surrender all copies of the stolen records to the Los Angeles Superior Court for safekeeping while the action was litigated. In June 1984, following a six week trial in which the Court allowed Armstrong to enter several thousand pages of the stolen documents into evidence as support for his "state of mind," the Court ruled that the Church and Mrs. Hubbard had proven their cases against Armstrong for civil theft of the documents, for breach of his fiduciary duties, and for invasion of Mrs. Hubbard's privacy. However, in a decision which is still on appeal, the Court also ruled that Armstrong was justified in his actions by his fear of potential harm from the Church.

In August 1984, Armstrong began conspiring with staff members of the Church whom he believed to be disaffected with Church management. Armstrong's goal was to overthrow existing Church management and to set up in its place a new set of Church executives who would settle all of the civil damages suits brought against the Church by the attorneys representing Armstrong. Armstrong's actions were directed by attorney Michael J. Flynn as well as Los Angeles Internal Revenue Service Criminal Investigations Division special agent Alan Lipkin. His plans included planting forged incriminating documents in Church files, to be discovered by a government raid, and blackmailing a senior Scientologist executive through attempted sexual entrapment. Armstrong's plans also included the filing of a civil damages suit against Church management and, when the Church staff member with whom he was plotting stated that they did not have the evidence needed for such a suit, Armstrong told the staff member to, "just allege it." However, unknown to Armstrong, the staff members with whom he was conspiring were not actually opposed to Church management, and much of his plotting was videotaped. (See Declarations of John G. Peterson **page 4** and Earle C. Cooley **page 12**.

In March and April 1985, Armstrong testified at the trial of the civil action brought against the Church of

Scientology in Portland, Oregon by Julie Christofferson. During that trial, the videotapes of Armstrong's abortive conspiracy were made public. Also obtained from Armstrong's fellow "conspirators" during that period of time were copies of various "literary" writings authored by Armstrong, none of which more clearly demonstrated his state of mind than a document now known as the "pig letter," in which Armstrong purported to describe a dream. (See letter, **page 31.**)

In December 1986, the Church entered into a settlement agreement with Armstrong's attorneys in which all of the cases brought by those attorneys, including Armstrong's cross-complaint against the Church of Scientology of California and Mrs. Hubbard, were settled. (The sole exception to this was the suit brought against Armstrong, which remained pending on appeal.) One of the conditions of that settlement was that Armstrong and his counsel surrender all of the documents in their possession pertaining to the Church or the Hubbards. When they did so, copies of the documents which Armstrong had stolen from the Church in December 1981 were provided, demonstrating that Armstrong had perjured himself numerous times throughout the history of the litigation when he had asserted that all such copies were surrendered to the court. (See Declaration of Kenneth D. Long, **page 33.**)

ALLEGATION:

Church management is corrupt, and commits actions such as blackmail and extortion through the use of confidential pastoral counseling information.

TRUE INFORMATION:

Armstrong admitted as part of the December 1986 settlement of his case that the actions of the Church from which his disagreements stemmed had all been committed by the Guardian's Office, a branch of the Church which was completely cleaned up by present Church management. (See Declaration of Gerald Armstrong, **page 36.**)

ALLEGATION:

L. Ron Hubbard lied about his background and history, including his record in World War II.

TRUE INFORMATION:

Armstrong had no formal training on biographical research, and never attempted obtain any such training. He did not go to government agencies or the Naval Historical Center for records regarding Mr. Hubbard or

the ships on which Mr. Hubbard served in WW II. As a result, he had to testify "I stand corrected" when shown evidence from such sources regarding Mr. Hubbard's command of a squadron of corvettes during WW II - **page 38.**)

Mr. Hubbard's record, because of his assignment to Naval Intelligence, has been "sheep dipped," meaning that multiple copies of his service record have been created, many of which are false, in order to facilitate his duties. (See Declaration of L. Fletcher Prouty, **page 48.**)

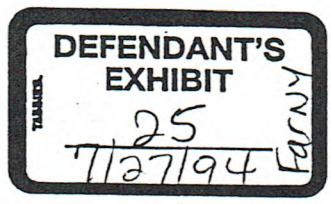
For Further Information Contact:

Earle C. Cooley, Esq. (617) 542-3700

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FALSE REPORT CORRECTION

BRECKENRIDGE



CHURCH OF SCIENTOLOGY OF CALIFORNIA (Plaintiff)

VS

GERALD ARMSTRONG (Defendant)

June 20, 1984

Gerry Armstrong is a former clerk for the Church of Scientology of California who, as part of his duties, was entrusted with the care of thousands of pages of personal records belonging to L. Ron Hubbard. In December 1981, Armstrong left the Church, and took with him over 10,000 pages of records belonging to Mr. Hubbard, Mrs. Hubbard and the Church. This included 5,000 pages of original documents for which no copy was left behind.

In August 1982, the Church filed suit against Armstrong for return of these documents. Judge Paul Breckenridge, who presided over the case in the California Superior Court, admitted that in taking the documents, Armstrong "may have engaged in overkill, in the sense that he took voluminous materials, some of which appear only marginally relevant to his defense." Armstrong pleaded "justification," claiming that his theft of the materials was necessary as insurance against suits or attacks against him by the Church.

Apart from his comments on Armstrong's "overkill," Breckenridge's findings were highly negative about the Church and Mr. Hubbard, showing the extent to which false reports aired in the courtroom by Armstrong had impinged on him.

Since the case was heard, Armstrong has adopted a hippy life-style. He is the self-proclaimed founder of the "Organization of United Renunciants." A November 1992 article in the Marin Independent Journal featured a photograph of an apparently naked Armstrong, eyes closed and smiling, sitting in a lotus position embracing a globe.

The article stated that "Gerald Armstrong has an idea for dealing with the national debt — write it off. Forget it. It doesn't exist."

"It's that easy.

"The novel prescription for fixing the fiscal fiasco is only part of Armstrong's larger message that money should be abolished. ... Armstrong can count only a handful of friends as converts, but he is trying to get the word out. Detailed proposals have gone out to Bill Clinton, Ross Perot and Pete Wilson (no one has tapped him for an economic advisory post just yet). He has also written to the New York Times and other mega-media.

"Ted Koppel has not called."

Section 1 -

FALSEHOOD IN FINDINGS BY JUDGE BRECKENRIDGE:

"The Church or its minions is fully capable of intimidation or other physical or psychological abuse if it suits their ends. The record is replete with evidence of such abuse."

TRUE INFORMATION

Incontrovertible evidence, not available at the time of the trial and not permitted to be included in the appeal record, has established that Armstrong's justification defense was a fraud upon the court, designed to avoid liability for his tortious conduct and to prevent fair adjudication of the Church's claims.

As the custodian of confidential Church papers, Armstrong had a fiduciary responsibility not to disclose these documents to individuals outside the Church. In breach of this obligation, Armstrong loaned the documents to one Omar Garrison, an author who at one time had been retained to write a biography of Mr. Hubbard, a project which fell through. Armstrong gave these documents to Garrison not to assist him in writing the biography but to enable Garrison to deliver them to attorneys representing litigants involved in suits against the Church.

In April 1982, Armstrong also made contact with Michael J. Flynn, who was the lead attorney in more than a dozen lawsuits against the Church. Armstrong showed Flynn two of the most intensely private archival documents. Thereafter, from May until August 1982, Armstrong continued to give stolen documents to Flynn for use in Flynn's cases against the Church, even though the litigation did not involve Armstrong. Ultimately, Armstrong gave Flynn thousands of documents, including original and private naval records and diaries of Mr. Hubbard from the 1940s.

On May 26 and May 27, 1982, the Church wrote to Armstrong demanding return of all the stolen documents, but Armstrong denied having them. Subsequently, Armstrong admitted that he indeed had possessed the stolen documents on those dates.

Trial began in May 1984. The Court received the testimony of Armstrong and his witnesses, many of whom were clients of attorney Flynn in other actions against the Church. These witnesses for Armstrong were permitted to testify as to Armstrong's purportedly imperiled state of mind. The Court did not permit the Church to present any of its own witnesses to rebut the testimony of hostile witnesses about Armstrong's alleged "state of mind."

Breckenridge also heard "evidence" from Armstrong consisting of distortions, half-truths, and outright falsehoods, amounting to a justification defense that Armstrong had stolen the documents to protect himself in the event of "retaliation" by the Church.

Since the trial, the Church has discovered new evidence which was completely unavailable at the time of trial. This evidence shows conclusively that Armstrong's "justification" defense was a sham and a fraud. He was not remotely in fear of retaliation by the Church and

was actively plotting the Church's downfall.

Armstrong considered the stolen materials useful not only as a lever against the Church and the Hubbards in then- ongoing litigation with Flynn's clients, but he also sought to use the materials in pursuit of his plan to undermine the Church for his own financial benefit.

As part of his plan, Armstrong actively sought out Church staff members who would be willing to "defect" and assist him in discrediting Church leadership. After leaving the Church, he contacted Church member Daniel Sherman to enlist Sherman's aid in attacking the Church. Sherman, without Armstrong's knowledge, consulted Church staff for advice. It was decided that the Church would obtain authorization from the Los Angeles Police Department to make "undercover" videotapes of Armstrong's conversations with Sherman and any other Church dissidents or defectors.

The police authorized the investigation and videotapes, at which point Sherman embarked on an effort to ascertain the full extent of Armstrong's intentions.

Sherman informed Armstrong that a group of staff members who were dissatisfied with Church management might be interested in working with him in his efforts to undermine the Church. This wholly fictitious group was dubbed "the Loyalists."

Sherman enlisted the aid of two other persons, David Kluge and Mike Rinder, who agreed to pose as "Loyalists" and meet with Armstrong. Kluge assumed the code name "Joey," and first met with Armstrong in the late summer of 1984.

Armstrong told "Joey" that part of his plan was to use the auspices of the Internal Revenue Service to attack the Church. Armstrong wanted "Joey" to plant in the Church's files the documents Armstrong would fabricate, so that Armstrong could tell the Criminal Investigation Division (CID) of the Los Angeles IRS office to conduct a raid and find the "incriminating" documents. He reassured "Joey" that he would be able to create the needed documents "with relative ease" since he had done "it for a living."

Armstrong also explained to "Joey" how he intended to go about forging the new documents, based on his experience: ARMSTRONG: "So it seems to me that the use of the communication lines, I don't know maybe you guys are using them, but it seems to me that you don't have a way of printing anything to get an issue on the lines, used for anything. Right? I'm saying that I can do it. I can type those goddam things and duplicate them and make them look exactly the same. You can't, you would not be able to tell the difference."

Armstrong also made it clear that he had developed a personal program intended to undermine and eventually destroy the Church. His goals were to oust the current management of Scientology, to obtain an advisory position within the restructured Church by becoming a consultant to the "Loyalists" and to plunder the Church for his own financial gain. His program to remove current Church management included the filing of a civil suit, based on evidence that

he would manufacture. In a conversation with another co-conspirator, who, unknown to Armstrong, was still faithful to the Church, he insisted that the suit could be launched based on manufactured allegations. ARMSTRONG: "They can allege it! They can allege it! They don't even have - they can allege it!" MIKE: "So, they don't have to -- like, they don't have to have the document sitting in front of them, and then...." ARMSTRONG: "I'm f-king saying the organization destroys the documents...!" MIKE: "The point -- the point I'm trying to get across is that that's not criminal. That's the -- that's the civil complaint in there and that would have to be proven." ARMSTRONG: "Show me the lines you're talking about." MIKE: "Well, it's over here." ARMSTRONG: "Where are the -- we don't have to prove a goddam thing. We don't have to prove sh-t. We just have to allege it. Section 2

At other meetings between Armstrong and his "co-conspirators," Armstrong described in detail his plans for bringing about the collapse of the Church so that he and the other "Loyalists" could move in and take over. Armstrong's goal, as revealed in his own words on videotape, was to overthrow existing Church management and to set up in its place a new set of Church executives who would settle all of the civil damages suits brought against the Church by the attorneys representing Armstrong. His plans included planting forged incriminating documents in Church files, to be discovered by a government raid, and blackmailing a senior Scientologist executive through attempted sexual entrapment. Section 3

In sum, Armstrong's plans consisted of:

A) Stealing documents from the Church to serve as models for forgeries. Section 4

B) Plotting the forgery of false incriminating evidence in Church files. Section 5

C) Orchestrating a coup in which agents of Armstrong and the U.S. government would wrest control of the Church of Scientology from its lawful management; Section 6

D) Suborning perjury in order to keep his conspiracy under cover. Section 7

Armstrong also worked closely with Michael Flynn and two members of the IRS CID, Al Lipkin and Al Ristuccia. In late summer or early fall of 1984, Armstrong contacted Sherman and explained that he and his IRS contacts had come up with a plan to create false documents and plant these on Church premises, where they would be seized in a CID raid. According to Armstrong the IRS agents wanted the "Loyalists" to plant covert electronic bugs in Church offices. Armstrong offered eavesdropping and special photographic equipment.

Armstrong informed Joey that the "Loyalists" would be placed in the federal witness protection program and would receive tax-exempt status in exchange for participating in the covert operation.

Judge Breckenridge, who in his decision praised Armstrong for his "dedication" to the truth, would have been astonished had he witnessed Armstrong's discussions with "Joey." In one

of them, available on tape, Armstrong instructed "Joey" how to lie under oath about their plans to disrupt Church management. Armstrong wanted "Joey," if deposed, to say that he and Armstrong had merely discussed a "global settlement" of Church litigation. ARMSTRONG: "OK, what are our conversations, should it come down to it?" JOEY: "What do you mean?" ARMSTRONG: "What do we talk about? You're deposed. You walk out there, and there's a PI hands you a paper, saying you're deposed Jack, and not only that, you're out of the organization. And what do you say in deposition. Well, Armstrong and I talked about this, and he had a whole bunch of ideas about how to infiltrate the communication lines and spread turmoil and disaster, you know. What are we doing here? That's my question, before I tell you my ideas on documents." JOEY: Well, what I got is basically -- Loyalists gotta -- we gotta move -- we've got the suit coming up and I guess we need other lines to get stuff going...." ARMSTRONG: "OK. So as far as the doc... Let me just say, ah, you and I get together, we get together because we have a goal of global settlement. You have felt that the turmoil and abuses and so on have gone on too long... Hence we get together and discuss things. We have not discussed anything about a destruction of the tech, or Scientology is bad, or anything like that. Are we agreed?"

Armstrong successfully used the fabricated defense of justification to pull the wool over Breckenridge's eyes and escape liability for his theft and breach of confidence. During one meeting with "Joey," Armstrong's alleged claim that he "feared" Church retaliation was revealed as a complete falsehood. JOEY: "Well you're not hiding!" ARMSTRONG: "Huh?" JOEY: "You're not hiding." ARMSTRONG: "F-k no! And...." JOEY: "You're not afraid, are you?" ARMSTRONG: "No! And that's why I'm in a f-king stronger position than they are!" JOEY: "How's that?" ARMSTRONG: "Why, I'll bring them to their knees!"

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Breckenridge's willingness to believe Armstrong is partly attributable to Armstrong's own skill as a con-man, and partly to Breckenridge's own history as a judge compounded with his misperception of the Church of Scientology.

Paul Breckenridge spent 15 years of his life, from 1953 to 1968, defending alleged criminals in the Los Angeles Public Defender's office. Breckenridge went into the L.A. Superior Court in 1968 and was assigned to criminal trials up until 1974. It was not until 1978 that Breckenridge moved to civil cases.

Breckenridge's history shows that he came under attack several times as a judge in the

criminal court, including having suits filed against him for violation of civil rights. Breckenridge has been sued together with staff from the Los Angeles District Attorney's office, the California Attorney General's office and others in the field of law enforcement.

On December 8, 1971, a Ronald Fobbs filed suit against Breckenridge and several others including the L.A. District Attorney. The suit was filed over an incident whereby Fobbs spent two years in jail unnecessarily. Because Fobbs had never waived his right to a jury trial, when the decision in his case was reversed he sued Breckenridge and others involved in the case. He did not pursue it.

In July 1973, Breckenridge was sued together with L.A. District Attorney Joseph Busch and other law enforcement personnel, again on charges of violations of federal rights. The plaintiff was a John Aravjo, who asked for $20,000 compensatory damages plus $10,000 punitive damages from each plaintiff. Aravjo filed suit claiming harassment and deprivation of his right to a fair and speedy trial, but again, it was not followed through.

These cases indicate that Breckenridge was weak in cases involving civil rights or the defense of basic freedoms. Further, in regard to the Church of Scientology, Breckenridge's many years in the L.A. Court system meant he was familiar with court cases involving members of the former Guardian's Office of the Church. This office had been an autonomous organization charged with responsibility for public relations, investigative and legal matters. It was disbanded by Church management and no longer exists.

In his decision, Breckenridge referred to the Guardian's Office (GO) and showed that he had confused the GO with the Church of Scientology. He failed to realize that it is current Church management which abolished the GO and restructured the external-facing activities of the Church from scratch. By the time the Armstrong case went to trial, current management of the Church had already taken decisive steps to ensure that a repetition of the incidents that led to the imprisonment of eleven GO members would never occur again.

Ignorant of these facts, Breckenridge assumed that the Guardian's Office and the Church were one and the same. This misperception made him an easy target for Armstrong, who adopted the deliberate tactic of exploiting the judge's faulty perception of the Church.

In an interview that he gave to the Rocky Mountain News in February 1983, Mr. Hubbard made clear that the GO actions which led to indictments were totally against the policies of the Church. He said, "I learned about it [the case] like everyone else -- after the fact -- and could only shake my head in dismay... Whatever they did, if they did it, was in violation of any policy I ever wrote while Executive Director, years ago, and I think all those people have been removed, as I understand that there is an entirely new hierarchy in the Church."

In actual fact, Scientologists do charitable work, thousands are active in remedying drug abuse, crime and illiteracy and nearly all are active in some way to improve their community. These facts about the Church never came to Breckenridge's notice.

FALSEHOOD IN FINDINGS BY JUDGE BRECKENRIDGE:

[Scientology] under the pretext of 'freeing humans' is nothing in reality but a vast enterprise to extract the maximum amount of money from its adepts.

TRUE INFORMATION:

The Church of Scientology is not a money-making enterprise; it is, as numerous courts have affirmed, a religion. In country after country, courts have exhaustively examined the philosophy and practice of Scientology and upheld its religious bona fides.

A landmark recognition which upheld the religious nature of Scientology was issued from the United States Court of Appeals in 1969. The court ruled, "the Founding Church of Scientology has made out a prima facie case that it is a bona fide religion.... a prima facie case exists that auditing [counseling] is a practice of Scientology, and that accounts of auditing integrated into the general theory of Scientology are religious doctrines." **Section 9**

In affirming Scientology's status as a religion, the U.S. District Court for the District of Columbia stressed equal treatment for religions under the Constitution. In 1983, the court stated that "the Church of Scientology must be treated the same as any established religion or denominational sect within the United States, Catholic, Protestant or other."

In 1985, in the Superior Court of California, Judge Norman L. Epstein emphasised that the Church's religious nature was not open to question. "The supporting documents for the proposition that Scientology is a religion do more than make a prima facie case; they make a strong case," Epstein ruled.

Many of these recognitions are reproduced in a booklet published by the Church, entitled Winning! Victories of the Church of Scientology. **Section 10**

Since the mid-1970s 14 Scientology Churches have been recognized as Churches and as tax-exempt religious organizations by the Internal Revenue Service.

In countries outside the United States, Scientology has also achieved recognition as a religion from numerous courts, including the High Court of Australia. In 1983, five judges of the High Court found unanimously that "The conclusion that [Scientology] is a religious institution entitled to tax exemption is irresistible." **Section 11**

Again and again, Court findings have stressed that the income received by the Church is used for no other purpose than to further the religious aims of Scientology.

On 12 October 1988, the Administrative Court in Berlin ruled that there was no evidence that income received by the Church went to private individuals. The court found that, "Plaintiff [the Church] showed that the gained income is used for the religious and philosophical

activities of the associations in Germany and also in other countries...." Section 12

On 30 January 1985, the District Court of Stuttgart, Germany had issued a clear-cut ruling which made the same point:

"The court has no indication that the assumption that books available for purchase, brochures or other study and information materials would not serve this religious purpose; the same is valid for the course seminars and auditing being subject to a contribution fee, all of which -- according to the self-understanding of the concerned and his church -- constitute direct religious actions and customs, and immediately serve a religious purpose or are directly religiously motivated." Section 13

On 19 September 1990, the District Court of Hanover repeated that funds collected by the Church were used solely to further the religious activities of Scientology.

In Italy, the Church has also been found qualified for tax-exemption on the basis of its being a religious not a commercial activity.

The following are some examples:

On 27 March 1990, the Tax Commission in Monza ruled that, "It is the opinion of this Commission that the nature of the activities carried out by plaintiff are apparently aimed at the dissemination of doctrinal and religious principles, and certainly not of a commercial nature." Section 14

On 20 September 1990, the Tax Commission in Torino stated that "the religious nature of Scientology is to be taken as ascertained.

"The fees given by believers for the services received and the contributions paid by them in order to receive services and various materials, doesn't change the essential nature of the services..." Section 15

On 25 November 1991, the First Tax Court of Como stated, "There remains no doubt as to the transactions under discussion being non-commercial in nature, thus tax-exempt." Section 16

Finally, on 2 July 1991, the Milano Appeals Court reiterated that the delivery of books and services by the Church in exchange for a fee is not a commercial activity and not subject to taxes.

A study of the financial intake of various religions found remuneration for local leaders of the Church of Scientology was 2.5% of the Church's gross intake but for staff and ministers of the Roman Catholic, Lutheran and Reformed (United) Churches remuneration amounted to 26.7%, 30.8% and 40.1% respectively.

The above statements and decisions, and many others, make plain that Scientology is a religion and that the Church of Scientology is organized for one purpose only: to disseminate the religious philosophy of Scientology to the people of Earth.

FALSEHOOD IN FINDINGS BY JUDGE BRECKENRIDGE:

The organization clearly is schizophrenic and paranoid.

TRUE INFORMATION:

This statement is completely absurd. Scientology, in its 42 years, has expanded to over 1,100 churches, missions and other groups throughout the world. That expansion is built on a solid record of helping people lead happier, better lives.

The Reverend Dean M. Kelley, Counselor on Religious Liberty for the National Council of Churches, has written that he has befriended "a number of Scientologists -- some high in the organization -- over the years.... I have found them to be earnest, enterprising, public-spirited and committed people...."

The Church of Scientology is also active in making improvements in the community; Scientologists are out there, involved, visible and effective.

The Church helped to create a safe environment during the riots in LA, when Scientologists surrounded an entire city block at Hollywood and Vine and earned the gratitude of neighbors for protecting their property. No weapons were carried by the Scientologists who formed this protective cordon. Yet the measure was effective. The Times of London noted that during the worst day of the riots, the city block guarded by Scientologists was one of the very few in Hollywood Boulevard where no business was torched or looted. **Section 17**

The Church also takes part in programs to assist the less fortunate. For many years the Church of Scientology in Los Angeles has worked with the Department of Children's Services of Los Angeles County to provide toys and Christmas holiday entertainment for foster children under the Department's care. These children are, most commonly, from broken families or are victims of abuse. The contributions made by Scientologists have resulted in many commendations from the Department.

In 1991-1992, numerous proclamations and expressions of support for the Church and its social reform campaigns have come in from mayors, politicians, law enforcement officers, artists and community leaders in the U.S., Canada, Britain, Italy, Australia, Mexico, Germany, France and many other countries.

The Church enjoys a high profile. In 1991, it completed the largest outreach campaign in its history, involving a series of full-page color ads placed in USA Today. These ads began in June and continued appearing every weekday, and later, every second weekday, continuously

until October. The advertisements covered major areas where Scientologists are active, including the reform of the press and the exposure of psychiatric drugs and human rights abuses. Follow-up ads expounded on the religion of Scientology itself, including its beliefs, practices, and the personal testimonies and photographs of some of its members. Section 18

The Church concluded the series of ads with a public information campaign on the Internal Revenue Service which inspired more than 14,000 supportive letters and phone calls from readers of USA Today.

This campaign aroused intense media interest and established the Church of Scientology as one of the most powerful social reform groups in the world.

FALSEHOOD IN FINDINGS BY JUDGE BRECKENRIDGE:

The evidence portrays a man [LRH] who has been virtually a pathological liar when it comes to his history, background, and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile.

TRUE INFORMATION:

Breckenridge based his comments on allegations made by Armstrong concerning Mr. Hubbard's past. Yet, Armstrong's incompetence as a researcher is well documented. Ironically, it was Armstrong's lack of research into the various facts and incidents regarding Mr. Hubbard's life that led him to his false claims.

In the court transcripts, Armstrong admitted to his own incompetence as a researcher.

While being cross-examined concerning his "research" regarding L. Ron Hubbard's career as an officer in the Navy during World War II, Armstrong stated the following about himself:

1. He was never trained in how to research a biography.

2. He never searched out and obtained official documents from any agency of the United States government.

3. He was not aware that there was an agency of the United States Navy that kept records of ships.

4. He never attempted to find out what data the Naval Historical Center had on the subchaser 815, the ship under the command of L. Ron Hubbard during World War II.

5. Armstrong concluded that Hubbard was not a Commander of a squadron of Corvettes

as he did not do the necessary research to locate the documents in Navy files which established that Hubbard was in command of a squadron of Corvettes (English term for subchaser). Armstrong was not even aware that the initials SC stood for Submarine Chaser.

When questioned during the trial on evidence substantiating Mr. Hubbard's combat record, Armstrong admitted that he merely "went through some books on the subject. But that was it. I never went to D.C. And I obviously never checked the sources that whoever did this research was able to check. So I stand corrected." Section 19

Armstrong also challenged Mr. Hubbard's claim that he (Mr. Hubbard) had been made a blood brother of the Blackfeet Indian tribe. Yet just recently that nation celebrated Mr. Hubbard's 70th anniversary as a blood brother.

A reliable account of Mr. Hubbard's career in the Navy is given by L. Fletcher Prouty, former senior US intelligence officer with the Pentagon.

Mr. Prouty, who joined the Army just a month before Mr. Hubbard joined the Navy, is experienced in reading and understanding military and intelligence records. There is an intelligence process called "sheep dipping," wherein additional or cover files are created which mask the true activities of the intelligence operative. Mr. Prouty's knowledge is based on firsthand experience in creating such files.

His analysis of Mr. Hubbard's files shows that there are at least two and more likely three separate and different files in existence: a "false" file created by the Navy; a personnel file; and a file which contains Mr. Hubbard's true activities as an intelligence officer. It is this last file which appears missing and therefore there is an incomplete record of Mr. Hubbard's career.

Detailed examples are provided in Mr. Prouty's affidavit. Section 20

Regarding Mr. Hubbard's medical history, Mr. Prouty points out that Mr. Hubbard's Notice of Separation paper indicates he was awarded the Purple Heart twice. The Purple Heart is awarded only to those wounded in action.

Another document from the US Naval Hospital in Oakland covers Mr. Hubbard's condition following the war:

"Eyesight very poor..." "Lame in right hip from service connected injury. Infection in bone... all service connected."

In sum, Mr. Hubbard's past is exactly what he stated it is and Breckenridge was completely misled by Armstrong's false claims.

Mr. Hubbard's achievements completely belie Armstrong's allegations and

Breckenridge's forwarding of them. Through hundreds of books and literally thousands of articles and lectures, L. Ron Hubbard communicated and taught the methods which today are used by millions to improve their own lives and the lives of those around them. His career spans more than 50 years during which he produced over 530 published works which have sold more than 100 million copies in more than two dozen languages. In developing the religious philosophy of Scientology, he delivered and recorded over 6,000 lectures. In country after country, he has received wide acclaim for his accomplishments in bettering mankind.

Of the more than 2,400 awards, recognitions, plaques, proclamations and letters of recognition L. Ron Hubbard has received for his writings and humanitarian work, the following are most notable:

The Saturn Award for Battlefield Earth awarded by the Academy of Science Fiction, Fantasy & Horror Films.

The Tetradrama D'Oro Award, a cultural award in Italy, awarded to L. Ron Hubbard as a world-renowned author contributing to the culture and peace of Earth.

In 1988 a plaque was awarded to L. Ron Hubbard by Publishers Weekly to applaud him for the release of his international bestseller in paperback, Mission Earth [Vol 1], considered a masterwork.

In the same year, The Publishers Weekly Century Award was conferred upon L. Ron Hubbard. It was awarded to commemorate the appearance of Dianetics on the Publishers Weekly bestseller list for 100 consecutive weeks.

The Sol de Oro (Golden Sun) award for Dianetics from the National Association of Journalists in Mexico City. This award is given to personalities with outstanding achievements in the fields of communication, art and culture.

The Golden Laurel for Human Sciences award, given to L. Ron Hubbard as a man of literature, an author and a humanitarian. Awarded for contributions to the betterment of the French Culture and its Community.

The Cosmos 2000 award, a French science fiction prize, awarded in 1989.

The Nova science fiction award. The Nova SF award was granted to L. Ron Hubbard posthumously for his contribution to Italian science fiction. L. Ron Hubbard is the only non-Italian writer awarded.

The Rosette (Golden Tie) award is presented once a year for outstanding achievement in the field of the arts by the French National Federation for Culture. The Golden Tie was awarded to L. Ron Hubbard as a writer for a lifetime of work in the enhancement of culture.

The Gold Medal from the Academy of Arts, Sciences and Letters in France was awarded to L. Ron Hubbard in 1990 for all his literary works and achievements. This committee was formed in 1915 as an academical society for education and enlightenment under the patronship of the famous French Academy, the most important literary institution in France.

This medal is given to the highest personalities in the fields of arts, sciences, literature and aviation.

In 1992, the prestigious State University of Moscow conferred a posthumous doctorate of literature upon Mr. Hubbard. **Section 21**

FALSEHOOD IN FINDINGS BY JUDGE BRECKENRIDGE:

The practice of culling supposedly confidential [counseling folders or files] to obtain information for purposes of intimidation and/or harassment is repugnant and outrageous.

TRUE INFORMATION:

This practice is not part of Scientology religious counseling. The Auditors Code, which binds all auditors and is the senior policy concerning Scientology counseling, places an obligation on the auditor to maintain strict confidentiality on all information divulged during auditing. Such information is protected by priest-penitent privilege.

In his decision, Breckenridge referred to a Guardian's Office policy letter written by Mary Sue Hubbard which had allegedly authorized the practice of culling information from counseling folders. Any such directive is not part of the Scientology scriptures and was long ago canceled.

As mentioned above, the Guardian's Office was disbanded by current Church management when it was found to have veered wildly off Church policies as laid down by Mr. Hubbard.

In May 1992, Mr. David Miscavige, chairman of the board of the Religious Technology Center which has final responsibility for ensuring the purity of application of Scientology, testified that he had personally removed Mary Sue Hubbard from her position at the head of the Guardian's Office. Following her removal, Mr. Miscavige and other senior Church officials restructured the external-facing activities of the Church from scratch and incorporated them within the overall management structure of Scientology. **Section 22**

oOo

Church of Scientology
Office of the President

August 5, 1993
cc: Tom Searson
News Director

Ms. Carol Fracassa
Producer
Entertainment Television
5670 Wilshire Blvd.
Los Angeles California 90036
FAX 213 954-2621

Dear Ms. Fracassa,

In our discussion yesterday you said that Mr. Armstrong had asserted that he had researched Mr. Hubbard's background, and then he had become disenchanted with what he found. I was surprised to hear that Armstrong is still trying to sell this falsehood to the press. You should know that in 1984 when quizzed in open court on his level of research on Mr. Hubbard's Naval records, Armstrong admitted that he had really done no research. When confronted in detail about this obvious egregious omission, his sheepish response was:

" So I stand corrected.."

Armstrong's admission shows that his "research" was unprofessional, and that it was based on bias. Add to this his subsequent bragging about creating and planting forged documents and it becomes obvious that he has no credibility as a source of truthful information concerning the Scientology faith or its founder. The fact that he admitted to you that his purpose in attacking Scientology celebrities is so that he can "sell his story to Hollywood" further makes the entire scenario of his involvement an anathema to honesty, and certainly discredible as a source of any information on any religion.

He has no relation to art or to artists and has no history of being published anywhere - except, of course for the photo of himself, nude, hugging the globe of the world and promoting the idea that everyone should give away what money they have.

The documents are attached.

DEFENDANT'S EXHIBIT 37 7/27/94 CARNEY

Sincerely,

Heber C. Jentzsch
President

1031 HOLLYWOOD BOULEVARD, SUITE 1200, LOS ANGELES, CA 90028-4329
TELEPHONE (213) 960-3500 FAX: (213) 960-3508 / 960-3509

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF MARIN

---oOo---

COPY

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation, Plaintiff, vs. GERALD ARMSTRONG; MICHAEL WALTON; THE GERALD ARMSTRONG CORPORATION, a California for profit corporation; DOES 1 through 100, inclusive, Defendants. AND RELATED CROSS-ACTION.	NO. 157-680

DEPOSITION OF:

LYNN R. FARNY

Wednesday, July 27, 1994

VOLUME IV

Reported by:
SUSAN M. LYON
CSR NO. 5829

PENNY L. GILMORE & ASSOCIATES
DEPOSITION REPORTERS
P.O. BOX 862
ROSS, CALIFORNIA 94957
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Q. And also the record in Armstrong One was sealed, as well; right?
A. That's right.
Q. And you were aware of Judge Launder's ruling regarding the videotapes as well, weren't you?
A. He ultimately allowed cross-examination of Gerald Armstrong concerning them --
Q. Now, directing your attention to Exhibit 29.
A. -- that doesn't make them sealed documents, Ford.
Besides, the copies that went to Congress, the copies that went other places certainly were not sealed.
MR. WALTON: Is there a question pending?
MR. BOWLES: He's clarifying his answer.
MR. GREENE: Q. Directing your attention to Exhibit 29, do you recognize that document that's been produced in this litigation pursuant to discovery?
A. Yes.
Q. And is that what you might call a dead agent document with respect to Gerald Armstrong?
A. I would call it a briefing sheet.
Q. Is that part of an effort to dead agent Armstong?
A. It's part of an effort to communicate the truth.
Q. And in such communication of the truth, did that include an effort to dead agent Armstrong?
A. It was an effort to communicate the truth about his

lies. If you want to use the characterization, you are free to do what you wish.

Q. And I'm asking you whether or not my use of that characterization is a fair use.

A. No, because it's cynical and you're trying to twist things around to make it sound nefarious. I'm trying to clarify and just say what this is, which is an effort to communicate the truth. So no, I wouldn't say it's a fair use, Ford.

Q. Is the way I'm cynical and trying to twist things around similar to the way that Armstrong was cynical in signing the settlement agreements and giving away the proceeds?

MR. BOWLES: Objection.

THE WITNESS: I have no idea what you're talking about.

MR. BENZ: Sustained.

MR. GREENE: I would ask the referee to direct the witness to answer my question rather than engage in an ad hominem attack on me in response.

MR. BOWLES: Mr. Greene, you're engaging in a unprofessional ad hominem attack on the witness. Therefore, I object. And you're badgering the witness. I would prefer and appreciate it if you would ask professional questions dealing with the issues in this

case.

MR. GREENE: The question having to do with whether or not Exhibit 29 is fairly characterizable as an effort to dead agent Gerald Armstrong. What I got back was no, it's not because you're cynical and you're trying to twist things and blah, blah, blah, blah, blah. That's not an answer.

MR. BENZ: Okay. Why don't you ask the question again and will the witness answer it?

MR. GREENE: Q. All right. Mr. Farny, is Exhibit 29 fairly characterizable as part of an effort to dead agent Gerald Armstrong?

A. As phrased, that would not be fair.

Q. Why not?

A. Because I don't consider it to be a fair characterization of what the document as a document is.

Q. The purpose of the document is to rectify Armstrong's lies; right?

A. A couple of them.

Q. And part of what the purpose of dead agenting someone is is to confront or expose that person's lies, isn't it?

A. That's also correct.

Q. Okay. Directing your attention to Exhibit 1 -- oh, excuse me, going back to 29 just for a second.

Everything set forth in Exhibit 29 is accurate, true and correct, isn't it?

A. I don't see anything in here that I would have disagreed with at the time.

Q. Okay. So is the answer yes?

A. Sounded like it to me.

Q. Okay. Who drafted this document?

A. I don't remember.

Q. Was it drafted within the public relations division of OSA within CSI?

A. I don't know. Either there or legal, one or the other.

Q. And you don't know to whom it was distributed either, do you?

A. I don't remember.

Q. Was it distributed to CNN?

A. I don't know.

Q. Is there any record kept of the distribution points of Exhibit 29?

A. Not that I'm aware of.

MR. GREENE: I'd like to mark this as Exhibit 30.

(Defendant's Exhibit No. 30 marked.)

MR. GREENE: Q. Have you seen Exhibit 30 before?

A. Yes.

Q. And what is Exhibit 30?

A. A false report correction concerning Gerald Armstrong.
Q. Is the purpose of it to correct the lies that were disseminated by Gerald Armstrong?
A. Yes.
Q. And also was the purpose of Exhibit 29 to correct the lies that were disseminated by Gerald Armstrong?
A. That's what I just said.
Q. I asked about 29.
A. Oh, 29.
Q. Don't get hot.
A. Would seem so, yes.
Q. Did you participate in the drafting of Exhibit 30?
A. There are a lot of parts of 30 that are very similar to Exhibit 1, so I think so.
Q. And without reading every word so that it takes five minutes, would you skim through the subject matter of 30, tell me whether or not there's anything in there that you see to be inaccurate or false?
A. I can do one or the other, but if you want me to say if there's any -- if you want me to say if there's any statement here that I can absolutely attest is true or false, I've got to read it.

Generally, I recall being satisfied with it, with what I put into it. I don't want to waste your time

reading every page.

Q. That's fine. I appreciate that. We don't need to do that.

And when you say generally you were satisfied, is it correct that what you mean is you were satisfied as to the truthfulness and veracity of the representations set forth in Exhibit 30?

A. I would not have knowingly said something that wasn't.

Q. What is the source of 30 besides you, who else drafted it?

A. The documents referred to. Probably somebody in PR. Again, a draft would have been sent to me that I would have edited.

Q. And approximately when was it prepared?

A. This, I don't remember. Sometime within the last couple of years, I would think.

Q. To whom was it distributed?

A. I don't know.

Q. Is there any record kept of the distribution points of Exhibit 30?

A. Not that I'm aware of.

Q. Who ordered its preparation?

A. I don't know.

Q. Is there any record of who would have ordered its

preparation?

A. I don't know that anyone did order its preparation.

Q. Did somebody tell you to prepare it?

A. No.

Q. Did you seek approval for your efforts in so preparing it?

A. It would have been run by counsel to be checked over. Aside from that, no.

Q. With respect to Exhibit 30, someone who received it would not know who the source of that document was, would they?

MR. BOWLES: Objection, calls for speculation.

THE WITNESS: Certainly, certainly they would. They would know who has handed it to them or who mailed it to them, if it was in the mail.

MR. GREENE: Q. If it came in the mail in an envelope without an address and without a cover letter, nobody would know who wrote it, would they?

A. That's not generally how something like this would be used. Usually something like this would be used to brief a staff member or sitting down in conversation with media and just walking them through this. So the source of the information here would be very much disclosed.

Q. Are cover letters disseminated with packets like Exhibit 30 when they're distributed?

A. If something like this is sent in the mail to someone, our general practice would be to have a cover letter on it.

Q. And your general practice would be to keep a copy of it, as well, wouldn't it?

A. Of the pack, certainly.

Q. Of the cover letter?

A. Not necessarily.

Q. So is it your testimony that when you send out a 10-page false report correction, the intention of which is to cure the lies by Gerald Armstrong, not to mention the exhibits that go with it, that your practice would not be to keep any record of having done so?

A. There would not be a list kept of who got copies of this, that's what I'm saying, yes. The majority of the time this would be used in a one-on-one-meeting with somebody, and there would be no need necessarily to keep some sort of log or index of it.

Q. And likewise there would be no system whereby any track would have been kept of when or where or with whom such meetings transpired; is that right?

A. I don't know. Perhaps the staff involved in the meetings would keep some sort of record of who they met with, although, I don't know.

Q. Who are the people on staff that would have so been

involved with such meetings?

A. I don't know because we're hypothetically describing the general useage of a pack like this. So, hypothetically, I don't know.

Q. I'm asking you about Exhibit 30, to be specific.

A. And I said about five minutes ago I don't know who -- to whom it was distributed. Now, you've been challenging on it, that's your right. That's fine. I just said I don't know.

Q. Who would know?

A. We've already answered that. I don't know.

Q. Is the reason why you don't know these things so that the source of the distribution of this packet can remain secret?

A. No.

Give me a break. What a stupid question.

MR. WALTON: Objection.

MR. BENZ: Sustained.

THE WITNESS: I'm sorry.

MR. GREENE: I don't mind.

Please mark this as Exhibit 31.

(Defendant's Exhibit No. 31 marked.)

MR. GREENE: Q. Exhibit 31 is Bates stamped page 48 through 56. It's undated.

Have you seen this document before, Mr. Farny?

A. Probably. Looks to be another false report correction on Gerald Armstrong. I can't tell what the differences are between this one and one of the earlier exhibits.

Q. This document is undated; isn't that right?

A. Oh, I see. Yes, it is undated.

Q. And there's no indication of the source of this document, is there?

A. It's pretty obvious when you read it it's from the church and not from Mr. Armstrong.

Q. Would you answer the question, please.

A. I think that's an indication of who it comes from.

MR. GREENE: I would request the referee to direct the witness to directly answer the question. It's susceptible of a yes or no answer.

MR. BOWLES: He's answered.

MR. BENZ: I don't know that it is. I think the answer could be clearer, as could the question, and that is if the question is does the document state a particular source, I think the document speaks for itself. If the question is does the content of the document indicate its source, then the witness's answer is correct, I mean, has application.

MR. GREENE: So are you making or sustaining the objection to the first question?

MR. BENZ: I am saying that why don't you clarify the question.

MR. GREENE: All right.

Q. Mr. Farny, there is no explicit indication on this document from whom it comes, is there?

A. As opposed to the content indicating who it comes from?

Q. That's right.

A. That's correct.

Q. This document was prepared within the Office of Special Affairs; right?

A. That's correct.

Q. Who prepared it?

A. I don't know.

Q. Did you participate in its preparation?

A. Yes, I'm certain I would have because there's material in here I recognize from these other documents that I worked on.

Q. Who ordered its preparation?

A. I don't know.

Q. When was its preparation ordered?

A. I don't know that it was ordered.

Q. Do you ever engage in the preparation of any documents such as Exhibit 31 without being told to do so by someone who is your senior?

A. Yes, of course.
Q. And if you do so, do you then get approval for its dissemination from a senior?
A. Not necessarily. If, for example, a pack is needed to assist one of the public relations officer's for a meeting upcoming, I wouldn't necessarily get approval from that, you know, approval on that. I would assist them to put the pack together to use at the meeting. It wouldn't require anybody's approval.
Q. Is a false report correction run through any kind of review procedure before it is disseminated?
A. Counsel reviews them.
Q. In addition to being reviewed by lawyers?
A. Various staff would review them internally.
Q. And who would those staff members be?
A. It includes me and it includes Coreen Pouw, the PR aide, in most instances. I don't know if she reviewed this one or not.
Q. Would anyone senior to you be involved in such review?
A. Well, it depends on whether or not they were the individuals that requested the information for their own use in a meeting.
If an individual senior to me did and wanted to use a pack of information in a meeting, they would of course

review it before they used it in a meeting.

Q. With respect to all of the false report correction materials, is it your testimony that none of them were produced in response to a directive from one of your seniors?

A. I just don't remember. So no, that would not be my testimony.

Q. If any of these were the result of a direction from one of your seniors, would there be any written record of such an order?

A. No.

Q. I'm sorry, I didn't hear your answer, Mr. Farny?

A. I said no.

Q. Okay. Thank you.

Mark this as next.

(Defendant's Exhibit No. 32 marked.)

MR. GREENE: Q. You have before you, Mr. Farny, Exhibit 32, which is entitled declaration of David Miscavige, which is 41 pages in length, and dated February 1994.

Do you see that?

A. Yes, I see that.

Q. And that is a declaration that was filed in litigation to which CSI is a party, or was a party; right?

A. That's correct.

I, SUSAN M. LYON, a Certified Shorthand Reporter in and for the State of California, do hereby certify:

That the witness named in the foregoing deposition was present and duly sworn to testify the truth in the within-entitled action on the day and date and at the time and place therein specified;

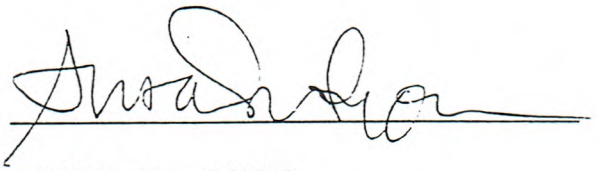
That the testimony of said witness was reported by me in shorthand and was thereafter transcribed under my direction into typewriting;

That the foregoing constitutes a full, true and correct transcript of said deposition and of the proceedings which took place;

That the witness was given an opportunity to read and, if necessary, correct said deposition and to subscribe the same;

That I am a disinterested person to the said action;

IN WITNESS WHEREOF, I have hereunto subscribed my hand this 8th day of August 1994.



SUSAN M. LYON

CSR #5829

Ford Greene
California State Bar No. 107601
HUB LAW OFFICES
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949

Attorney for Defendant
GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation, Plaintiff, vs. GERALD ARMSTRONG; MICHAEL WALTON; THE GERALD ARMSTRONG CORPORATION, a California for-profit corporation; DOES 1 through 100, inclusive, Defendants.	No. 157 680 **DECLARATION OF FORD GREENE IN SUPPORT OF GERALD ARMSTRONG'S SPECIALLY PREPARED INTERROGATORIES EXCEEDING 35** Trial Date: 9/29/94

Responding Party: Plaintiff/Cross-Defendant CHURCH OF SCIENTOLOGY INTERNATIONAL

Propounding Party: Defendant/Cross-Complainant GERALD ARMSTRONG

Set No: ONE

I, Ford Greene, declare:

1. I am the attorney for Gerald Armstrong, defendant and cross-complainant in this action.

2. I am propounding to plaintiff and cross-defendant Church of Scientology International the attached set of interrogatories.

3. This set of interrogatories will cause the total number

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of specially prepared interrogatories propounded to the party to whom they are directed to exceed the number of specially prepared interrogatories permitted by paragraph (1) of subdivision (c) of Section 2030 of the Code of Civil Procedure.

4. I have previously propounded a total of 39 interrogatories to this party, which interrogatories were official form interrogatories.

5. This set of special interrogatories contains a total of 1400 specially prepared interrogatories.

6. I am familiar with the issues and the previous discovery conducted by all the parties in this case.

7. I have personally examined each of the questions in this set of interrogatories.

8. This number of questions is warranted under paragraph (2) of subdivision (c) of Section 2030 of the Code of Civil Procedure because of the complexity and the quantity of the existing and potential issues in this case; the financial burden of defendant and cross-complainant in conducting discovery into the matters comprehended by these special interrogatories by oral deposition; and the expedience of using this method of discovery to provide to the responding party the opportunity to conduct an inquiry, investigation, or search files or records to supply the information sought.

9. These special interrogatories all relate to a set of documents, generically known in Scientology as "Dead Agent Documents" or "DA DOCS" comprising 748 pages produced by plaintiff and cross-defendant Scientology organization in response to defendant and cross-complainant's first inspection demand. All

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the DA DOCS to which these special interrogatories relate were prepared, assembled and disseminated by plaintiff and cross-defendant Scientology organization. All the DA Docs produced concern defendant and cross-complainant personally, cover many years of his involvement inside and in litigation after leaving plaintiff and cross-defendant Scientology organization, and contain dozens of plaintiff and cross-defendant Scientology organization's public statements on issues in this case.

10. I attended and participated in the deposition of Lynn Farny, the individual produced by plaintiff and cross-defendant Scientology organization to be its official representative in such deposition on July 11, 12, 26 and 27, 1994. Mr. Farny, the Legal Handling Officer for the Legal Bureau of the Office of Special Affairs of CSI stated that there are 30-40 individuals on the staff of CSI's Legal Bureau. I personally examined Mr. Farny concerning his knowledge of the DA DOCS to which these interrogatories relate. Although Mr. Farny stated that he was the writer of a few of the sentences within these documents, and believed they were disseminated to the media, he professed to have no knowledge of who ordered their preparation, where they were prepared, who prepared them, who was responsible for their creation, where the originals or copies are maintained, to whom they were disseminated, who disseminated them, who ordered or authorized their dissemination, or the location of any of the files containing any of the materials to which they refer. Mr. Farny also testified that the present

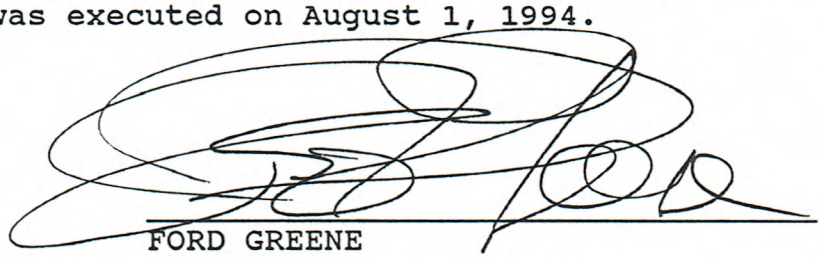
11. Said information is relevant to this lawsuit because certain of Scientology's claims regarding Armstrong have been

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proffered as the basis for the action to enforce the agreement. For example, Scientology claims that Armstrong is a "liar" and a "criminal" who sought to "take over" the Scientology Organization and who has engaged in a strategy of "Black Propaganda" (widespread, public dissemination of lies) against Scientology. Thus, it reasons, the settlement contract was required to stop the false information about it that it claims Armstrong to have spread. Scientology's action in this court for fraudulent conveyance is based upon its claim that it will prevail in its litigation seeking to enforce the provisions of settlement contract that would silence Armstrong on all Scientology matters. Therefore, Armstrong has asserted affirmative defenses to said contract in the action before this court and this discovery is directed to obtaining evidence supporting said defenses.

12. None of the questions in this set of interrogatories is being propounded for any improper purpose, such as to harass the party, or the attorneys for the party, to whom it is directed, or to cause unnecessary delay or needless increase in the cost of litigation.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on August 1, 1994.



FORD GREENE
Attorney for Defendant
GERALD ARMSTRONG

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PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following document:

GERALD ARMSTRONG'S SPECIALLY PREPARED INTERROGATORIES TO CHURCH OF SCIENTOLOGY INTERNATIONAL; DECLARATION OF FORD GREENE

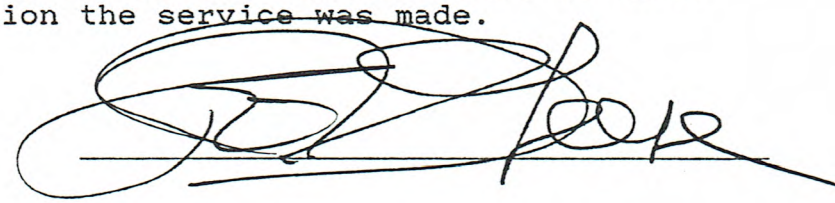
on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Laurie J. Bartilson, Esquire
Bowles & Moxon
6255 Sunset Boulevard, Suite 2000
Los Angeles, CA 90028

Michael L. Walton, Esquire
P.O. Box 751
San Anselm,o, CA 94979

[X]	(By Mail)	I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.
[]	(Personal) Service)	I caused such envelope to be delivered by hand to the offices of the addressee.
[X]	(State)	I declare under penalty of perjury under the laws of the State of California that the above is true and correct
[]	(Federal)	I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

DATED: August 5, 1994



PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following document:

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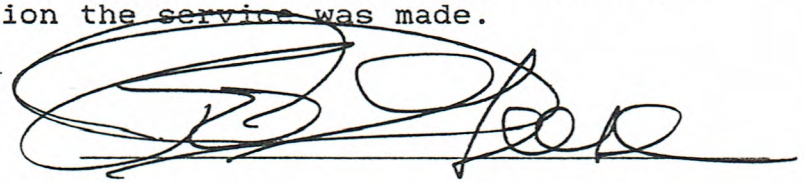
on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Linda Fong, Esquire
Wilson, Ryan & Campilongo
235 Montgomery Street, Suite 450
San Francisco, CA 94104

BY PERSONAL SERVICE

[]	(By Mail)	I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.
[X]	(Personal) Service)	I caused such envelope to be delivered by hand to the offices of the addressee.
[X]	(State)	I declare under penalty of perjury under the laws of the State of California that the above is true and correct
[]	(Federal)	I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

DATED: August 3, 1994



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FORD GREENE
LAWYER

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LICENSE NO. 107601
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January 10, 1995

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard, Suite 2000
Los Angeles, CA 90028

RE: **Scientology v. Armstrong**
Marin County Superior Court
Case No. 157 680

Dear Ms. Bartilson:

Please find herewith Mr. Armstrong's Amended First Set of Special Interrogatories. This amended set covers the same areas and materials as the set propounded last August, and as you can see I have pared down the total number of questions by 250.

I have also provided more definitions of terms and clarification to make plaintiff's answering of the questions as simple as possible.

It may still seem like a lot of questions on the matters the questions concern, but it is anticipated that many of plaintiff's answers will be the same for many of questions asked. Although there are many questions, for example, asking for who ordered and approved the preparation and dissemination of the various "dead agent documents" produced by plaintiff in the "fraudulent conveyance" case, it is expected that there are very few individuals who actually issued such orders and approvals, and that the identities of those few individuals will be repeated many times in plaintiff's answers.

I am not repeating my declaration concerning the need for these special interrogatories, because the need and facts remain the same, except for the reduced number of questions.

Sincerely,

FORD GREENE

:acg
Enclosure (1)
cc: Michael L. Walton, Esquire (with enclosure)
cc: Andrew H. Wilson, Esquire (without enclosure)

Ford Greene, Esquire
California State Bar No. 107601
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Telephone: (415) 258-0360

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90272
(213) 459-4745

Attorneys for Defendant
GERALD ARMSTRONG

ORIGINAL FILED
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LOS ANGELES
SUPERIOR COURT

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiffs, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	No. BC 052395 **AMENDED ANSWER OF GERALD ARMSTRONG AND THE GERALD ARMSTRONG CORPORATION TO AMENDED COMPLAINT**

Defendant Gerald Armstrong, hereinafter "Armstrong," and The Gerald Armstrong Corporation, hereinafter "TGAC," defendants, hereby jointly submit the following amended answer to the amended complaint of plaintiff, CHURCH OF SCIENTOLOGY INTERNATIONAL, hereinafter "CSI." Although the following Answer may be framed in the singular, it shall be interpreted to refer to both answering defendants unless the referred to event took place before July

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1987, in which event said allegation shall apply to Gerald Armstrong as an individual only because prior to said date TGAC did not exist.

1. Armstrong admits there was a settlement agreement entered into in December, 1986, but denies each and every allegation of the rest of this paragraph. Armstrong's only actions have been those necessitated by the violations by the Scientology organization, including CSI, hereinafter the "ORG," of the express terms and spirit of the settlement agreement. It is the ORG which has embarked on a deliberate campaign to breach the provisions of the agreement, and foment litigation, hatred and ill-will against ARMSTRONG.

2. Armstrong admits that he entered into a settlement agreement with the ORG in December 1986 of his cross-complaint in Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court No. C 420 153 hereinafter Armstrong I. Armstrong denies that the agreement was for the benefit of numerous third-parties; he asserts that the agreement is to constitute a fraud on courts, nationally and internationally, and upon the public of the World. Armstrong denies that the description of the ORG as a church is true. Armstrong denies CSI's description of him. It is the ORG which sought by litigation and covert means to disrupt Armstrong's activities and life, and which displayed through the years an intense and abiding hatred for Armstrong, and an eagerness to annoy and harass Armstrong by spreading enmity and hatred about him among its employees, customers, victims, in the media, the courts and the world. Armstrong denies that the ORG sought to end Armstrong's covert

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activities, because there were no such covert activities, nor to end the litigation. Armstrong denies that the agreement contained carefully negotiated and agreed-upon provisions. Armstrong was not included in one word of the negotiations, which were engineered by the ORG through the compromise of Armstrong's attorney. Armstrong never agreed to the conditions, but did agree with the representations of his attorney that the conditions were unenforceable. Armstrong denies that the ORG bargained for the settlement provisions to put an end to enmity and strife generated by Armstrong because Armstrong generated no such enmity and strife.

3. Armstrong denies that this action arises from his deliberate and repeated breaches of provisions of the agreement. Armstrong denies moreover that he can violate the agreement because its provisions are contrary to public policy and illegal. Armstrong denies that the ORG fully performed its obligations under the agreement; rather, it violated both the letter and spirit from the date of its signing. Armstrong denies that he never intended to keep his part of the bargain. Armstrong admits that, based on the representations of his lawyer that the referenced provisions were unenforceable and that the ORG lawyers also knew they were unenforceable, he also considered said provisions unenforceable. Armstrong denies that he ever extracted money from the ORG. Armstrong denies that in June 1991 he had finished spending his money. In August 1990 Armstrong had given away all his assets for reasons unrelated to the ORG, except that he evaluated that because the ORG committed so much harm with its billions of dollars there was no reason not to give his money

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defendants and/or obtaining the equitable relief requested herein under the doctrine of unclean hands.

FOURTH AFFIRMATIVE DEFENSE

(In Pari Delicto)

80. Further answering said first amended complaint, and as a fourth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 77 through 79, and 81 through 88, herein and allege as follows:

Notwithstanding the things alleged of defendants in the complaint, which are denied in the applicable paragraphs herein, plaintiffs' and its counsels' conduct in connection with the events giving rise to this action bars plaintiff from recovery with regard to the complaint under the doctrine of in pari delicto.

FIFTH AFFIRMATIVE DEFENSE

(Illegality)

81. Further answering said first amended complaint, and as a fifth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 77 through 80, and 82 through 88, herein and allege as follows:

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Plaintiff is barred from bringing this action as a result of its acts of illegality in connection with matters that give rise to this case. Particularly plaintiff and other Scientology-related entities engaged in a wholesale attempt to obstruct justice, suppress evidence in order to deny redress, due process, and equal protection of the law to its civil and criminal victims by means of obtaining settlements of litigation in actions in various state and federal courts across the United States. In each of those actions attorney Michael J. Flynn was attorney of record, or coordinating counsel for litigants adverse to Scientology. In each of those actions litigants adverse to Scientology were coerced into signing secret settlement agreements the terms of which were substantially similar to those set forth in the settlement agreement at issue herein.

Plaintiff is further barred from bringing this action because as a material part of entering the settlement agreement with defendant, plaintiff required defendant's counsel, Michael Flynn, to sign secret side agreements for indemnification for resolution of the retrial of Armstrong I were plaintiff and other Scientology-related entities successful in obtaining reversal of Judge Breckenridge's decision on appeal. In such agreement Scientology promised to limit its collections of damages to $25,001.00 and to indemnify Flynn for the payment thereof and Flynn, in turn, would indemnify Armstrong for any such judgment. The existence of these secret, side agreements were never disclosed to Armstrong by Flynn, plaintiff, or other Scientology-related entities.

Plaintiff is further barred from bringing this action because

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as a material part of entering said settlement agreements, it or its agents required attorney Flynn to promise never to take any anti-Scientology cases in the future. Thereafter, although Flynn has refused to provide any declarations for defendant Armstrong, he has been willing to provide documentary assistance to Scientology.

Plaintiff is further barred from bringing this action as a result of its acts of illegality in connection with the commission of acts giving rise to the action entitled Aznaran v. Church of Scientology of California, Case No C88-1786 JMI (Ex) in the United States District Court for the Central District of California (the "Aznaran case"); conduct by plaintiff, its counsel and others, including but not limited to the making of certain settlement proposals to Barry Van Sickle, Esq., for direct communication to Vicki and Richard Aznaran ("the Aznarans") knowing that Van Sickle had been disqualified from representing the Aznarans, and knowing that the Aznarans at the time were represented by Ford Greene and participating in conduct which resulted in the Aznarans (in hopes of facilitating settlement and in accordance with plaintiff's conditions) dismissing their counsel, Ford Greene, whereupon while the Aznarans were in pro per, plaintiff withdrew any offer of settlement and commenced loading up the record with voluminous, sophisticated and dispositive motions, including but not limited to two for summary judgment. In consequence thereof defendant Armstrong only provided aid and assistance to counsel whom the Aznarans subsequently employed for the purpose of preserving their rights to redress, due process and equal protection of the law.

Furthermore, other acts of illegality by plaintiff and other

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Scientology-related entities have been publicly documented. Plaintiffs have engaged in acts of impropriety, as set forth above, and including what the District Court in the Aznaran case referred to in a written order, entered after most of the events in issue herein, as "outrageous litigation tactics." Also, in addition to the Flynn settlement agreements the conduct of plaintiff and other Scientology-related organizations, entities and individuals against persons "adverse to Scientology" including citizens, counsel, judges and government authorities (including but not limited to illegal surveillance, obtaining telephone company records, breaking and entering, threatening conduct, and violence) have discouraged and intimidated knowledgeable persons from disclosing their knowledge about, or otherwise coming forward against, the illegal activities of plaintiff and other Scientology-related organizations, entities and individuals, and from assisting victims thereof to obtain redress, due process and equal protection of the law.

SIXTH AFFIRMATIVE DEFENSE

(Fraud and Deceit)

82. Further answering said first amended complaint, and as a sixth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, and 81 through 88, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, because of its fraud and deceit in

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representing to defendants, and each of them, that its management had changed and no longer would engage in illegal activities, that it wanted to buy peace, that it would leave defendants, and each of them alone, and that the false affidavit that it required Armstrong to sign as a condition of the settlement would be disclosed only if Armstrong attacked the ORG. Plaintiff made the foregoing representations to defendants, and each of them, with knowledge of the falsity thereof at the time said representations were made and with the intent to deceive defendants, and each of them, who actually and justifiably relied on those material misrepresentations to their injury by signing the settlement agreement. In fact, plaintiff and other Scientology-related organizations, entities and individuals never intended to cease their illegal and immoral activities, never intended to buy peace with defendants, and each of them, never intended to leave Armstrong alone, never intended not to use the false declaration only if Armstrong attacked the ORG, and never intended to abide by the terms of the settlement agreement. Rather plaintiff and other Scientology-related entities intended to use the settlement agreement as a tool for the implementation of the Fair Game Policy and Scientology's litigation tactics so as to engineer a reversal of Judge Breckenridge's decision in Armstrong I, to collusively resolve any re-trial of Armstrong I, to obtain possession of the so-called MCCS tapes which were evidence of Scientology employing attorneys for the purpose of committing future crimes and frauds, to use the false declaration in other litigation without regard to Armstrong's conduct, and to otherwise obstruct justice and suppress evidence of facts which discredited plaintiff and other

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Scientology-related entities.

Said Fair Game Policy states that any enemy of Scientology "[m]ay be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

Scientology's litigation strategy is as follows:

"The law can be used very easily to harass, and enough harassment on somebody who is simply on the thin edge anyway, well knowing that he is not authorized, will generally be sufficient to cause his professional decease. If possible, of course, ruin him utterly."

From the outset, prior to the execution of the settlement agreement with defendant, and the execution of all other Flynn settlement agreements, it was the intent of plaintiff and other Scientology-related organizations, entities and individuals to continue to wage war on and harass Armstrong, to continue to engage in illegal activities and conduct, and to suppress evidence and obstruct justice by means of said agreements and to use said agreements as a tool of Fair Game and the litigation strategy of ruin in order to ensure that information regarding Scientology's crimes and civil misconduct would stay suppressed, and its criminal and civil victims would be denied legal redress and justice.

Moreover, Flynn advised Armstrong that he would always be available in the future to represent Armstrong if Armstrong had to litigate with the ORG in the future. Said statement was false and misleading because Flynn had signed an agreement with the ORG

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promising not to represent anti-ORG litigants in the future. Armstrong relied on the truth of Flynn's statement in signing the settlement agreement.

SEVENTH AFFIRMATIVE DEFENSE

(Estoppel)

83. Further answering said first amended complaint, and as a seventh, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81, 82 and 84 through 88, herein and allege as follows:

Plaintiff is equitably estopped from asserting each and all of the purported causes of action in the complaint by reason of its own acts, omissions, and conduct, or that of its agents, including, but not limited to the fact that it violated the settlement agreement in that it or its agents provided information from Armstrong I that was the subject of the settlement agreement to various persons and in various litigation including but not limited to The London Sunday Times, The Los Angeles Times, the instant litigation, the Corydon litigation, and in Church of Scientology of California v. Russell Miller and Penguin Books Limited in the High Court of Justice, Case No. 6140 in London, England, where a Scientology-related entity filed multiple affidavits attacking defendant Armstrong.

As yet a further basis for barring plaintiff on the ground of estoppel, defendant has requested plaintiff and other Scientology-

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related entities to release Flynn and his other former attorneys from the agreements they signed never to represent Armstrong again, and plaintiff and said entities have refused to do so.

EIGHTH AFFIRMATIVE DEFENSE

(Waiver)

84. Further answering said first amended complaint, and as an eighth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81, 82, and 83, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, by reason of their own acts, omissions and conduct, or that of its agents.

NINTH AFFIRMATIVE DEFENSE

(Mistake Of Law)

85. Further answering said first amended complaint, and as a ninth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 84, and 86 through 88, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, because defendant Armstrong's for

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San Anselmo, CA 94960
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PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: AMENDED ANSWER OF GERALD ARMSTRONG AND THE GERALD ARMSTRONG CORPORATION TO AMENDED COMPLAINT

on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew Wilson, Esquire
WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104

LAURIE J. BARTILSON, ESQ.
Bowles & Moxon
6255 Sunset Boulevard
Suite 2000
Los Angeles, California 90028

Graham E. Berry, Esquire
LEWIS, D'AMATO, BRISBOIS & BISGAARD
221 North Figueroa Street. Suite 1200
Los Angeles, California 90012

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90272

[x] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[x] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: October 7, 1992



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related entities to release Flynn and his other former attorneys from the agreements they signed never to represent Armstrong again, and plaintiff and said entities have refused to do so.

EIGHTH AFFIRMATIVE DEFENSE

(Waiver)

84. Further answering said first amended complaint, and as an eighth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81, 82, and 83, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, by reason of their own acts, omissions and conduct, or that of its agents.

NINTH AFFIRMATIVE DEFENSE

(Mistake Of Law)

85. Further answering said first amended complaint, and as a ninth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 84, and 86 through 88, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, because defendant Armstrong's former

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221 North Figueroa Street. Suite 1200
Los Angeles, California 90012

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90272

[x] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[x] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: October 7, 1992



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